

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ) / ADR (OTC : ANZLY)

MARKET ANNOUNCEMENT

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5 May 2022

Air New Zealand completes Shortfall Bookbuild, concluding its NZ\$1.2 billion equity raise

Air New Zealand is pleased to announce that it has completed the shortfall bookbuild component of its 2 for 1 pro rata renounceable rights offer ("Rights Offer") announced on 30 March 2022. A total of NZ\$1.2 billion was raised under the Rights Offer and shortfall bookbuild. These proceeds will be used to repay the airline's existing Crown loan, strengthen its balance sheet, improve liquidity and help position Air New Zealand for recovery.

Shortfall Bookbuild

A bookbuild for shares not taken up under the Rights Offer, including the shares attributable to Ineligible Shareholders, was conducted after market close on 3 May 2022 and on 4 May 2022 ("Shortfall Bookbuild"). The Shortfall Bookbuild of approximately 274 million shares was well supported by existing shareholders and new investors and a price of NZ\$0.81 per share was determined ("Bookbuild Price"). This Bookbuild Price represents a premium of NZ\$0.28 per share over the Offer Price of NZ\$0.53 per share. Eligible Shareholders who elected not to take up their entitlements and Ineligible Shareholders will, therefore, receive NZ\$0.28 for each share sold for their benefit in the Shortfall Bookbuild. Payment of this premium is expected to be made to those groups by Monday, 16 May 2022.

Eligible Shareholders who applied for Additional New Shares in the Shortfall Bookbuild will be allocated shares at the Bookbuild Price.

As a result of the significant demand received in the Shortfall Bookbuild scaling has been applied (including with respect to oversubscriptions) in accordance with the terms set out in the Offer Document dated 30 March 2022. Refunds from scaling of any extra application monies received for additional shares in the Shortfall Bookbuild will be processed by 16 May 2022.

Air New Zealand Chair, Dame Therese Walsh, said: "The Rights Offer was structured to provide all eligible Air New Zealand shareholders with a fair opportunity to participate in the equity raise or receive value for their rights. We are delighted with the level of support shown for Air New Zealand by existing and new shareholders and to have been able to return value to those shareholders who did not or were ineligible to participate."

Settlement and allotment

ASX Shares: Settlement of ASX shares for the Rights Offer and Shortfall Bookbuild is expected to occur on Friday, 6 May 2022, with allotment on Monday, 9 May 2022.

NZX Shares: Settlement and allotment of NZX shares are both expected to occur on Monday, 9 May 2022.

Trading of new shares commences: Trading of new shares issued under the Rights Offer and Shortfall Bookbuild is expected to commence on NZX and on ASX on Monday, 9 May 2022.

Ranking of new shares: All new shares issued under the Rights Offer will rank equally with Air New Zealand's existing ordinary shares.

Defined terms in this announcement have the meaning given to them in the Offer Document.

Ends.

This announcement has been authorised for release to NZX and ASX by:
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