



# AIR CANADA

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## Air Canada Announces Results of its Offer to Purchase up to US\$300 million aggregate principal amount of its 4.000% Convertible Senior Notes due 2025

MONTREAL, Dec. 20, 2022 /CNW Telbec/ - Air Canada (TSX: AC) today announced the final results of its cash tender offer previously announced on November 14, 2022 (the "**Offer**") to purchase for cancellation up to US\$300 million aggregate principal amount of its outstanding 4.000% Convertible Senior Notes due July 1, 2025 (CUSIP No. 008911 BF5) (the "**Notes**"), which expired on December 19, 2022.

An aggregate of US\$266,053,000 principal amount of Notes was validly deposited under the Offer and not withdrawn prior to its expiration. Air Canada has taken up and accepted for purchase and cancellation all such deposited Notes at a purchase price of US\$1,220 in cash per US\$1,000 principal amount of Notes, plus a cash payment in respect of all accrued and unpaid interest outstanding on such Notes up to, but excluding, the date of take-up of the Notes, for total consideration of about US\$329,580,544. Payment for such Notes taken up and purchased by Air Canada under the Offer is expected to be made on December 20, 2022, but in any event, by no later than December 22, 2022, in accordance with the terms and conditions of the Offer as detailed in the offer to purchase, its accompanying issuer bid circular and the related letter of transmittal. Air Canada did not make the Offer conditional on any minimum principal amount of Notes being deposited, preserving optionality for holders while allowing Air Canada to further deleverage its balance sheet.



AIR CANADA

After giving effect to the purchase and cancellation of the Notes taken up under the Offer, US\$274,153,000 aggregate principal amount of Notes will remain outstanding.

Morgan Stanley is acting as dealer manager to Air Canada in connection with the Offer. Any questions or requests for information may be directed to Morgan Stanley at 855-483-0952 (toll-free).

### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

*This news release includes forward-looking statements within the meaning of applicable securities laws. Forward-looking statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements may involve, but are not limited to, comments relating to guidance, strategies, expectations, planned operations or future actions. Forward-looking statements are identified using terms and phrases such as "preliminary", "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. These statements also include statements related to the timing of the payment for the Notes deposited under the Offer.*

*Forward-looking statements, by their nature, are based on assumptions including those described in this news release and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business of Air Canada.*

*Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including the ongoing effects from the COVID-19 pandemic, economic and geopolitical conditions such as the military conflict between Russia and Ukraine, Air Canada's ability to successfully achieve or sustain positive net profitability, industry and market conditions and the demand environment, Air Canada's ability to pay its indebtedness and maintain or increase liquidity, competition, Air Canada's dependence on technology, cybersecurity risks, energy prices, Air Canada's ability to successfully implement appropriate strategic and other important initiatives (including Air Canada's ability to manage operating costs), other epidemic diseases, terrorist acts, war, Air Canada's dependence on key suppliers (including government agencies and other stakeholders supporting airport and airline operations), Air Canada's ability to successfully operate its loyalty program, interruptions of service, Air Canada's ability to attract and retain required personnel, the availability and onboarding of Air Canada's workforce, casualty losses, changes in laws, regulatory developments or proceedings, climate change and environmental factors (including weather systems and other natural phenomena and factors arising from anthropogenic sources), Air Canada's dependence on regional and other carriers, Air Canada's ability to preserve and grow its brand, employee and labour relations and costs, Air Canada's dependence on Star Alliance® and joint ventures, pending and future litigation and actions by third parties, currency exchange, limitations due to restrictive covenants, insurance issues and costs, pension plans,*

as well as the factors identified in Air Canada's public disclosure file available at [www.sedar.com](http://www.sedar.com) and, in particular, those identified in section 18 "Risk Factors" in Air Canada's 2021 MD&A and section 14 "Risk Factors" of Air Canada's 2022 Third Quarter MD&A. The forward-looking statements contained in this news release represent Air Canada's expectations as of the date of this news release (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, Air Canada disclaims any intention or obligation to update or revise any forward-looking statements whether because of new information, future events or otherwise, except as required under applicable securities regulations.

#### **About Air Canada**

Air Canada is Canada's largest airline, the country's flag carrier and a founding member of Star Alliance, the world's most comprehensive air transportation network. Air Canada provides scheduled passenger service directly to 51 airports in Canada, 51 in the United States and 88 internationally. It holds a Four-Star ranking from Skytrax. Air Canada's Aeroplan program is Canada's premier travel loyalty program, where members can earn or redeem points on the world's largest airline partner network of 45 airlines, plus through an extensive range of merchandise, hotel and car rental rewards. Its freight division, Air Canada Cargo, provides air freight lift and connectivity to hundreds of destinations across six continents using Air Canada's passenger flights and cargo-only flights with its fleet of Boeing 767-300 freighters. Air Canada has committed to a net zero emissions goal from all global operations by 2050.

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