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Carlson Travel, Inc. Announces Final Results of Exchange Offer

Minneapolis, MN 20 August 2020 – Carlson Travel, Inc. (“CTI” or “Company”) today announced the expiration and final results with respect to its offer to exchange (the “Exchange Offer”) its outstanding Senior Secured Euro Floating Rate Notes (the “Existing Euro Secured Notes”), Senior Secured 6.75% Notes (the “Existing Dollar Secured Notes”), and Senior 9.50% Notes (the “Existing Unsecured Notes” and, collectively, the “Existing Notes”) for new Senior Secured Euro Floating Rate Notes due 2025 (the “New Euro Secured Notes”), Senior Secured 6.75% Notes due 2025 (the “New Dollar Secured Notes”), and Senior Secured 11.50% Notes due 2026, respectively, (the “New Third Lien Notes” and, collectively, the “New Notes”) and its related solicitation of consents to amend certain provisions of the indentures governing the Existing Notes.

The Company also announced today that all conditions required to consummate the Exchange Offer have been satisfied. Accordingly, the settlement date (“Effective Date”) of the Exchange Offer is expected to be August 21, 2020. €325,040,000 aggregate principal amount of New Euro Secured Notes, \$410,978,000 aggregate principal amount of New Dollar Secured Notes, and \$250,000,000 aggregate principal amount of New Third Lien Notes will be issued.

Commenting on the successful result of the exchange offer, Kurt Ekert, Chief Executive Officer and Chair of the Board of CTI said: *“I am delighted that we have seen such a strong show of support and endorsement for our financial proposition, our growth strategy and our business plans by our shareholders, lenders and bond holders. We remain focused on developing our B2B4E travel management proposition and delivering material value to our clients and their travelers, and we look forward to continued and long-term industry leadership from a secure financial base as we emerge from the impact of the global COVID-19 pandemic.”*

The Exchange Offer was implemented pursuant to the terms of the Company’s previously announced Restructuring Support Agreement (“RSA”) which will bolster CTI’s liquidity position by adding \$250 million of new liquidity to the business, including a \$125 million equity injection from CTI’s principal shareholder, Carlson, Inc. Concurrent with the Effective Date of the Exchange Offer, all of the applicable transactions contemplated under the RSA will be consummated, and the RSA will terminate automatically in accordance with its terms.

As of 5:00 p.m., New York City time, on August 19, 2020 (the “Expiration Deadline”), (i) €325,040,000 aggregate principal amount of Existing Euro Secured Notes, representing approximately 98.5% of the total outstanding principal amount of the Existing Euro Secured Notes, (ii) \$410,978,000 aggregate principal amount of Existing Dollar Secured Notes, representing approximately 99.0% of the total outstanding principal amount of the Existing Dollar Secured Notes, and (iii) \$250,000,000 aggregate principal amount of Existing Unsecured Notes, representing 100% of the total outstanding principal amount of the Existing Unsecured Notes have been validly tendered, or blocked, as applicable, (and not validly withdrawn) for exchange, as confirmed by the Information Agent for the Exchange Offer. As 100% of the Existing Unsecured Notes were tendered (and not validly withdrawn) for exchange and accepted by the Company the Existing Unsecured Notes and the indenture governing them will be canceled and discharged, respectively. All holders who tendered, or blocked, as applicable, (and did not validly withdraw such instruction) as of the Expiration Deadline will receive the “Exchange Consideration” as set forth in the table below. In addition, holders of the Existing Unsecured Notes whose Existing Unsecured Notes are accepted in the Exchange Offer will receive a consent fee, payable in cash on the Effective Date, equal to 1.00% of the aggregate principal amount of Existing Unsecured Notes tendered by such holder.

<u>Title of Existing Notes to be Tendered</u>	<u>CUSIP/Common Code/ISIN Number(s)</u>	<u>Outstanding Principal Amount</u>	Exchange Consideration
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6¾% Senior Secured Notes due 2023	CUSIP U14477AD2 /ISIN USU14477AD29 CUSIP 14282LAA1 /ISIN US14282LAA17	\$415,000,000	For each \$1,000 of Existing Dollar Secured Notes validly tendered (and not validly withdrawn prior to the Withdrawal Deadline), the Eligible Noteholder shall receive \$1,000 of New Dollar Secured Notes
Senior Secured Floating Rate Notes due 2023	ISIN XS1535991498 ISIN XS1535992033 ISIN XS1535993510	€330,000,000	For each €1,000 of Existing Euro Secured Notes validly blocked (and not validly unblocked prior to the Withdrawal Deadline), the Eligible Noteholder shall receive €1,000 of New Euro Secured Notes
9½% Senior Notes due 2024	CUSIP U14477AC4 /ISIN USU14477AC46 CUSIP 14282LAC7 /ISIN US14282LAC72	\$250,000,000	For each \$1,000 of Existing Unsecured Notes validly tendered (and not validly withdrawn prior to the Withdrawal Deadline), the Eligible Noteholder shall receive \$1,000 of New Third Lien Notes

Amendments to Existing Notes

In conjunction with the Exchange Offer, the Company received the requisite consents to adopt certain amendments to the Existing Dollar Secured Notes (the “Existing Dollar Secured Notes Amendments”), the Existing Euro Secured Notes (the “Existing Euro Secured Notes Amendments”) and the Existing Unsecured Notes (the “Existing Unsecured Notes Amendments”). The Existing Dollar Secured Notes Amendments, among other amendments, eliminate substantially all of the restrictive covenants and events of default, reduce the interest rate to 0.50% per annum and have all interest paid in kind, extend the stated maturity thereof to 2027, reduce the redemption price thereof to par, subordinate the Existing Dollar Secured Notes to certain other indebtedness and release the collateral securing, and the guarantees of, the Existing Dollar Secured Notes. The Existing Euro Secured

Notes Amendments, among other amendments, eliminate substantially all of the restrictive covenants and events of default, reduce the interest rate to 0.50% per annum and have all interest paid in kind, extend the stated maturity thereof to 2027, reduce the redemption price thereof to par, subordinate the Existing Euro Secured Notes to certain other indebtedness and release the collateral securing, and the guarantees of, the Existing Euro Secured Notes.

Additional information can be found on the Company's investor relations website at www.mycwtir.com (for which approved registration is required). Questions regarding settlement or the Effective Date can be sent to Prime Clerk, the Information and Exchange Agent, via email at carlsontraveloffer@primeclerk.com.

Capitalized terms not defined herein have the meaning attributed to them in the Confidential Offering Memorandum and Disclosure Statement dated July 17, 2020 (the "Statement").

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Forward-Looking Statements

This press release contains "forward-looking statements" related to future events. Forward-looking statements contain words such as "expect," "anticipate," "could," "should," "intend," "plan," "believe," "seek," "see," "may," "will," "would," or "target." These forward-looking statements reflect the Company's current intentions, expectations or beliefs regarding the RSA. All forward looking statements, including discussions of strategy, plans, objectives, goals and future events or performance, involve risks and uncertainties. While the Company believes these statements to be reasonable, they are merely estimates or predictions and cannot be relied upon. The Company cannot assure you that future results will be achieved. When relying on forward looking statements, you should carefully consider the risk factors and other uncertainties and events, especially in light of the political, economic, social, operational and legal environment in which the Company operates. Such forward looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. The Company does not make any representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved, and such forward looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely scenario. These cautionary

statements qualify all forward looking statements attributable to the Company or persons acting on the Company's behalf.

This press release shall not constitute an offer to purchase any securities or a solicitation of an offer to sell, or the solicitation of tenders or consents with respect to, any securities. The Exchange Offer and Consent Solicitation are being made only pursuant to the Statement, and only to such persons and in such jurisdictions as is permitted under applicable law.

The Exchange Offer is being made, and the New Notes will be offered and issued, only (a) in the United States to holders of Existing Notes who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")), (b) outside the United States to holders of Existing Notes who are persons other than "U.S. persons" (as defined in Rule 902 under the Securities Act) that will receive the New Notes in offshore transaction in compliance with Regulation S under the Securities Act, who are non-U.S. qualified offerees and (c) to "accredited investors" as such term is defined in Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act (collectively, "Eligible Holders").

This press release does not constitute an offer to buy or the solicitation of an offer to sell the Existing Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. This press release does not constitute an offer to sell or the solicitation of an offer to buy the Existing Notes or the New Notes, nor shall there be any sale of the Existing Notes or the New Notes, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. The Existing Notes and the New Notes will not be registered under the Securities Act or the securities laws of any state and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and applicable state securities laws. The offer to exchange the Existing Notes for New Notes will be made solely pursuant to the Statement.

None of the Company, its affiliates, the Information and Exchange Agent or the Subscription Agent, the Security Agent, the Existing Notes Trustee, the New Notes Trustee or the affiliates or agents of any of them makes any recommendation as to whether Eligible Holders should participate in the Exchange Offer or Consent Solicitation. Each party must make its own decision as to participate in the Exchange Offer or Consent Solicitation or otherwise participate in the transactions contemplated hereby.

About Carlson Travel, Inc.

Carlson Travel, Inc. is the issuer of the Existing Notes. For more information about Carlson Travel, Inc., please visit www.mycwtir.com.

About CWT

CWT is a business-to-business-for-employee (B2B4E) travel management platform on which companies and governments rely to keep their people connected.

Operating in around 145 countries, CWT provides their travelers with a consumer-grade travel experience, combining innovative technology with our vast experience.

To keep up with developments, please feel free to follow CWT on Twitter @my_CWT.

Contacts



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