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THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE OR CONTAIN ANY INVITATION, SOLICITATION, RECOMMENDATION, OFFER OR ADVICE TO ANY PERSON TO SUBSCRIBE FOR, OTHERWISE ACQUIRE OR DISPOSE OF ANY SECURITIES IN AVATION PLC OR ANY OTHER ENTITY IN ANY SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION (EU NO. 596/2014) AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR").

11 March 2021

## Avation plc

### Proposed Placing and Subscription

Avation PLC (LSE: AVAP) (the "**Company**" or "**Avation**"), the commercial passenger aircraft leasing company, announces its intention to conduct a placing (the "**Placing**") and a subscription (the "**Subscription**") of new ordinary shares of 1 pence each in the capital of the Company (the "**Ordinary Shares**") (the "**Placing Shares**") (the "**Subscription Shares**") to both existing and new institutional and professional investors in the Company in order to raise a minimum of £7 million at a price of 110 pence per share (the "**Issue Price**"). Certain directors of the Company intend to participate in the Placing and Subscription.

The Placing will be conducted in accordance with the terms and conditions set out in the Appendix to this announcement (which forms part of this announcement, such announcement and the Appendix together being this "**Announcement**") through an accelerated bookbuild process (the "**Bookbuild**") which will be launched immediately following release of this Announcement. WH Ireland Limited ("**WH Ireland**") and Canaccord Genuity Limited ("**Canaccord Genuity**") are acting as joint bookrunners and joint brokers in connection to the Placing (together, the "**Joint Bookrunners**" and "**Joint Brokers**").

### Interim Results

As announced on 26 February 2021, highlights for the Company's unaudited interim financial results for the six months ended 31 December 2020 include:

#### Key Financial Results

- Revenue and Other income decreased by 6% to \$63.3 million;
- Core Leasing business remained profitable;
- Impairment of aircraft valuations of \$46.7 million;
- Expected credit loss on receivables and accrued revenue of \$12.9 million;
- Loss before tax of \$60.5 million;
- Loss per share of 97.9 cents; and
- Net asset value per share of \$2.38.

#### COVID-19 Strategy

- Management focus on preservation of liquidity and cashflow;
- Airline rent deferrals totalling \$25.9 million;
- Bank loan repayment deferrals totalling \$31.0 million obtained from secured lenders;
- Agreement with bondholders to extend maturity of Avation Capital S.A. 6.5% senior notes to October 2026; and
- Capital expenditure and dividends have been temporarily suspended.

#### **Senior Notes Maturity Extension**

As announced on 9 February 2021, the Company has reached an agreement with a group of bondholders on the terms of a maturity extension in relation to the Avation Capital S.A. 6.5% senior notes due May 2021 issued under Avation's global medium term note programme (the "**Notes**").

In the Company's opinion, this agreement constitutes an important capital structure stabilisation measure. The Directors believe that the extension will assist the Company to continue successfully navigating the COVID-19 pandemic, while providing a more than 5-year maturity extension of the Notes to 31 October 2026, which will provide sufficient financial flexibility to support the continued development of the business through and post the COVID-19 pandemic. The key terms of the extension are outlined in the announcement made on 9 February 2021.

The Company's secured borrowings are subject to certain covenants that give lenders the right to demand repayment if breached. As of 31 December 2020, the Company was either in compliance with, or had waivers in place for, any covenant test on all senior bank loan covenants through to at least June 2021. Avation expects that breaches for certain covenant levels as of June 2020 will remain outstanding during the period described in the credit analysis set out below. Avation maintains a good relationship with its senior lenders and expects to receive waivers for any covenant breach, as it did when covenants were tested in relation to its financial year ending June 2020, and expects to reset the levels in due course.

As announced on 23 February 2021, the Company launched a consent solicitation exercise (the "**Consent Solicitation**") with the holders ("**Noteholders**") of the Notes. Subsequently, as announced on 3 March 2021, as at the date of that announcement, the aggregate outstanding principal amount of the Notes is \$350,000,000 of which \$7,358,000 in principal amount of the Notes are held in treasury. Accordingly, \$342,642,000 of Notes are deemed to be outstanding for the purposes of the Consent Solicitation under the trust deed for the Notes. As of 5 p.m. New York City time on 2 March 2021, being the latest time and date on which Noteholders were required to deliver their consents in order to be eligible for the early consent fee, the Company had received electronic consents from Noteholders holding \$342,642,000 in principal amount of the Notes representing 100% of the principal amount of the Notes deemed outstanding for the purposes of the Consent Solicitation. It should be noted that such consents given may not be revoked. Accordingly, the extraordinary resolution of the Noteholders approving the proposals outlined in the Company's announcement of 9 February 2021 (the "**Proposal**") was passed and will be binding on all Noteholders. The early consent payment to Noteholders and the associated advisers and legal adviser fees for the senior notes maturity extension was approximately \$6.3 million.

The Company will proceed to execute the formal documents required to implement the Proposal, which is expected to be completed on 16 March 2021, New York City time.

On 5 March, at the Company's general meeting, the resolution to issue 6 million warrants to the Noteholders was passed by shareholders.

## **Fleet Update**

As announced on 9 February 2021, Avation's fleet totals 46 aircraft. Customers include 19 commercial airlines in 15 countries.

Avation is currently expecting its customer Philippine Airlines ("PAL") to implement a restructuring process that will result in a downward adjustment to the lease rate of the Boeing 777-300ER aircraft on lease. Avation recorded an impairment to the value of this aircraft and recognised a provision for expected credit losses on revenue for the period

ended 31 December 2020 in line with the expected adjusted terms of the lease agreement. At this time, Avation believes that a restructure of PAL provides the optimal chance for this airline to survive and maximise the Company's return on this aircraft asset. Should PAL successfully complete the restructure and meet its commitments in a post COVID-19 environment the Company does not expect to record significant future impairment in respect of this asset.

Aircraft leased to three airlines (together representing approximately 10% of monthly run-rate lease revenue) were extended between March and September 2020. The average lease term extension was 3.6 years and the revised lease rates are between approximately 5-19% lower than the prior contracts.

On 20 April 2020, Virgin Australia Holdings Limited ("**Virgin Australia**") entered into voluntary administration. Avation had two Fokker 100 aircraft on finance lease and 11 ATR 72 aircraft on operating lease to Virgin Australia two of which were subleased to, and operated by, another airline. At the date of its entry into administration, Virgin Australia represented around 19% of the group's total monthly run-rate lease revenue. The two Fokker 100 aircraft were sold off the end of their leases (completed in September 2020). Of the 11 ATRs, three have been re-leased at market rates, one is subject to a non-binding letter of intent in respect to a new lease at market rates, three are being actively marketed for sale or lease, and the remaining four are being marketed for sale or lease but have not yet been through maintenance. Avation is intending to re-lease at market rates or sell all remaining ex-Virgin Australia ATRs in due course. In relation to the administration, Avation's claim against Virgin Australia has now been mitigated by the transactions noted above and is now expected to be approximately \$56 million. The administrators have advised an expected payout of 9-13 cents on the dollar on this claim. Whilst it is the Company's current plan and expectation that it will be able to lease and/or sell aircraft, and/or recover from Virgin Australia the recovery rates as set out in this paragraph, there can be no assurance that it will be able to do so.

Avation has also signed a new lease on a new delivery ATR72-600. The rate is in line with the market, and following the commencement of this lease, the aircraft will be either marketed for sale or Avation may raise secured financing on the asset.

As at today, the Company is owed approximately \$34 million by certain airlines. As at 31 December 2020, the Company had \$117,661,000 million of cash, of which \$25,424,000 million was unrestricted cash and bank balances.

## **Background to and reasons for the Placing and Subscription**

In the Company's opinion, its COVID-19 strategy to date has been successful. Key customers are operational in jurisdictions with less severe impact of COVID-19, aircraft purchase rights support future growth and the Virgin Australia administration is largely dealt with. In the Company's opinion, COVID-19 is likely to lead to positive market conditions, due to the shortage of available aircraft post the pandemic due to retirements and airline suffering from capital constraints, leading to preferences for aircraft to be leased rather than owned.

The use of proceeds from the Placing and Subscription will be used to enhance working capital.

### **Details of the Placing and Subscription**

The Bookbuild will open with immediate effect following release of this Announcement. The final number of Placing Shares, the timing of the closing of the Bookbuild and allocations are at the discretion of the Joint Bookrunners in consultation with the Company.

Certain directors of the Company intend to participate in the Subscription to an aggregate amount of 500,000 Subscription Shares. Additional applications from employees of the Company are 200,000 Subscription Shares.

The Placing Shares and Subscription Shares, when issued, will be credited as fully paid and will rank pari passu in all respects with each other and with the existing Ordinary Shares, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

The Placing is also subject to the conditions and termination rights set out in a placing agreement between the Company and the Joint Bookrunners (the "**Placing Agreement**"). Further details of the Placing Agreement can be found in the terms and conditions contained in the Appendix to this Announcement.

The Placing and Subscription does not require any further shareholder approval. Applications will be made for the Placing Shares and Subscription Shares to be admitted to the standard listing segment of the Official List of the Financial Conduct Authority (the "**FCA**") and to be admitted to trading on the main market for listed securities of the London Stock Exchange plc (together, "**Admission**"). It is expected that settlement of the Placing Shares and Subscription Shares and Admission will take place on or before 8.00 a.m. on 18 March 2021. The Placing and Subscription is conditional, among other things, upon Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms.

Your attention is drawn to the detailed terms and conditions of the Placing described in the Appendix to this Announcement. By choosing to participate in the Placing and by making an oral and legally binding offer to acquire Placing Shares, investors will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions in it, and to be providing the representations, warranties and acknowledgements contained in the Appendix. In particular, investors should read and understand the information provided in the 'Important Information' section of this Announcement.

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## IMPORTANT INFORMATION

This Announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places throughout this Announcement and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates. By their very nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, without limitation:; conditions in the public markets; the market position of the Group; the earnings, financial position, cash flows, return on capital and operating margins of the Group; the anticipated investments and capital expenditures of the Group; changing business or other market conditions; changes in political or tax regimes, exchange rates and clients; changes in governmental policies, and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this Announcement based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the Listing Rules, the Market Abuse Regulation (as in force in the United Kingdom) or other applicable legislation or regulation, neither the Company nor any of the Banks undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should therefore not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement.

No statement in this Announcement or incorporated by reference into this Announcement is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for the Company.

Certain data in this Announcement, including financial, statistical and operating information, has been rounded.

This Announcement is for information purposes only and shall not constitute an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

WH Ireland Limited which is a member of the London Stock Exchange, is authorised and regulated in the United Kingdom by the FCA and is acting as joint broker and bookrunner in connection with the Placing. Canaccord Genuity Limited, which is a member of the London Stock Exchange, is authorised and regulated in the United Kingdom by the FCA and is acting as joint broker and joint bookrunner in connection with the Placing. Each of the Banks are acting exclusively for the Company in connection with the matters referred to in this Announcement and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing any advice in relation to the contents of this Announcement or any transaction, arrangement or matter referred to herein.

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by any of the Banks or by any of their respective Affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Banks that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and the Banks to inform themselves about, and to observe such restrictions.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of the Appendix or this Announcement should seek appropriate advice before taking any action.

The Placing Shares to which this Announcement relates may be illiquid. Prospective subscribers of the Placing Shares should conduct their own due diligence on the Placing Shares. If you do not understand the contents of this Announcement you should consult an authorised financial adviser.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

**THIS ANNOUNCEMENT IS RELEASED BY THE COMPANY AND CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF UK MAR, ENCOMPASSING INFORMATION RELATING TO THE PLACING AND SUBSCRIPTION RAISING A MINIMUM OF £7 MILLION AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER UK MAR.**



## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THE "**ANNOUNCEMENT**"), AND THE INFORMATION IN IT IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, NEW ZEALAND, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OR BREACH OF ANY APPLICABLE LAW OR REGULATION.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, PERSONS WHO ARE, UNLESS OTHERWISE AGREED BY THE JOINT BOOKRUNNERS, "**QUALIFIED INVESTORS**" AS DEFINED IN ARTICLE 2(E) OF THE EU PROSPECTUS REGULATION (WHICH MEANS REGULATION (EU) 2017/1129) (THE "**PROSPECTUS REGULATION**"); AND (B) IN THE UNITED KINGDOM, PERSONS WHO: (I) FALL WITHIN THE DEFINITION OF "QUALIFIED INVESTORS" OF THE PROSPECTUS REGULATION, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED) ("**EUWA**") AND OTHER IMPLEMENTING MEASURES (SUCH PERSONS IN (A) AND (B) (I) BEING "QUALIFIED INVESTORS"); (II) ARE EITHER "INVESTMENT PROFESSIONALS" WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**"), OR FALL WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER OR TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) COMES ARE REQUIRED BY THE COMPANY AND THE JOINT BOOKRUNNERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THIS ANNOUNCEMENT IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY JURISDICTION. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM REGISTRATION. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or

offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, the Republic of South Africa, New Zealand or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"), including its enactment under UK domestic law by virtue of the EUWA ("**UK MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and UK MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties (each as defined in MiFID II); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligation to forward a copy of this Appendix or this Announcement of which it forms part should seek appropriate advice before taking any action.

These terms and conditions apply to persons acquiring Placing Shares pursuant to the Placing. Each Placee hereby agrees with the Joint Bookrunners and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if the Joint Bookrunners confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Appendix, unless the context otherwise requires, "**Placee**" means a Relevant Person (including individuals, funds or others) who has been invited to participate in the Placing and on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

### ***Details of the Placing Agreement and the Placing Shares***

The Joint Bookrunners and the Company entered into a Placing Agreement earlier today, under which the Joint Bookrunners have, on the terms and subject to the conditions set out therein, undertaken to use their reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price, in order to raise a minimum of £6.23 million in gross proceeds. In addition, the Company is raising

£770,000 through the Subscription. The Placing is not being underwritten by the Joint Bookrunners or any other person.

The Placing Shares are expected to be issued on or around 18 March 2021. The Placing Shares will, when issued, be subject to the articles of association of the Company, will be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will trade under AVAP with ISIN GB00B196F554.

### ***Application for admission to trading of the Placing Shares***

Application will be made to the London Stock Exchange and the Financial Conduct Authority for the Placing Shares to be admitted to trading on the standard segment of the Official List and to trading on the Main Market. Admission for the Placing Shares is expected to become effective and dealings in such shares are expected to commence at 8.00 a.m. on or around 18 March 2021. In any event, the latest date for Admission is 31 March 2021 or such later date as the Company and the Joint Bookrunners may agree (the "**Long Stop Date**").

### ***Placing***

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Participation in, and principal terms of, the Placing are as follows:

1. The Joint Bookrunners are arranging the Placing as agents for, and joint brokers of, the Company. The Joint Bookrunners are each regulated by the FCA, are acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for providing advice in relation to the matters described in this Announcement.
2. The number of Placing Shares to be issued at the Placing Price under the Placing will be agreed between the Joint Bookrunners and the Company.
3. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by the Joint Bookrunners. The Joint Bookrunners are entitled to participate in the Placing as principal.
4. Each Placee's allocation has been or will be confirmed to Placees orally, or in writing (which can include email), by the Joint Bookrunners and a trade confirmation or contract note has been or will be dispatched as soon as possible thereafter. The Joint Bookrunners oral or written confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Joint Bookrunners and the Company, under which it agrees to acquire by subscription the number of Placing Shares allocated to it at the Placing Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with the Joint Bookrunners' consent, such commitment will not be capable of variation or revocation.
5. As noted above, each Placee's allocation will, unless otherwise agreed between the Placee and the Joint Bookrunners, be evidenced by a trade confirmation or contract note issued to each such Placee by the Joint Bookrunners. The terms and conditions of this Announcement (including this Appendix) will be deemed to be incorporated in that trade confirmation, contract note or such other confirmation and will be legally binding on the Placee on behalf of which it is made and except with the Joint Bookrunners consent will not be capable of variation or revocation from the time at which it is issued.

6. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Joint Bookrunners (as agent for the Company), to pay to the Joint Bookrunners (or as the Joint Bookrunners may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
7. Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
8. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
9. All obligations of the Joint Bookrunners under the Placing will be subject to fulfilment of the conditions referred to below "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
10. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
11. To the fullest extent permissible by law and the applicable rules of the FCA, neither the Joint Bookrunners nor any of their Affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and the Joint Bookrunners and their Affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, neither the Joint Bookrunners nor any of their Affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Placing.

### **Conditions of the Placing**

The Joint Bookrunners obligations under the Placing Agreement in respect of, amongst other things, the Placing are conditional on, *inter alia*:

1. the release of this Announcement to a Regulatory Information Service by no later than 5:00 p.m. on 11 March 2021;
2. the delivery by the Company to the Joint Bookrunners of certain documents required under the Placing Agreement;
3. the Company having fully performed its obligations under the Placing Agreement which the Joint Bookrunners have, acting in good faith, deemed material to the extent that fall to be performed prior to Admission;
4. none of the warranties or undertakings given in the Placing Agreement being untrue or inaccurate or misleading in any respect at any time before Admission, and no fact or circumstance having arisen which would constitute a breach of any of the warranties or undertakings given in the Placing Agreement on the dates on which they are given or would have rendered any of the warranties or undertakings given in the Placing Agreement untrue, incorrect or misleading if such fact or circumstance had occurred before the date of the Placing Agreement;

5. admission of the Placing Shares to the standard segment of the Official List and to trading on the Main Market becoming effective on or before 18 March 2021 or such later date as the Company and the Joint Bookrunner may agree, but not being later than 31 March 2021; and
6. the Placing Agreement not having been terminated by the Joint Bookrunners.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled or (where applicable) waived by the Joint Bookrunners by the respective time or date where specified (or such later time or date as the Joint Bookrunners may notify to the Company (being not later than the Long Stop Date)) or (ii) any of such conditions becomes incapable of being fulfilled, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Joint Bookrunners may, at their discretion and upon such terms as they think fit, waive, or extend the period for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the condition relating to Admission taking place by the Long Stop Date may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement or its Appendix.

Neither the Joint Bookrunners, the Company nor any of their respective Affiliates or officers, directors, employees or agents shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

#### ***Right to terminate the Placing Agreement***

The Joint Bookrunners are entitled to terminate the Placing Agreement at any time prior to Admission by giving notice to the Company in certain circumstances, including, *inter alia*:

1. the Company is in breach of any provision of the Placing Agreement which is material in the context of the Placing, or with the requirements of any laws or regulations (including UK MAR, FSMA or the Listing Rules) in relation to the Placing;
2. the Joint Bookrunners becomes aware of any circumstance which results in any of the warranties given in the Placing Agreement being untrue or inaccurate or misleading when given at the date of the Placing Agreement or which results in or might in the opinion of the Joint Bookrunners results in any of the warranties being untrue or inaccurate or misleading when deemed given;
3. it should come to the notice of the Joint Bookrunners that any statement contained in any of the Placing Documents (as defined in the Placing Agreement) is untrue or inaccurate which the Joint Bookrunners considers to be material or misleading or that matters have arisen which would, if the Placing Documents were issued at that time, constitute an omission therefrom which the Joint Bookrunners (acting in good faith) considers to be material, and such matter may not, in the opinion of the Joint Bookrunners be addressed by the publication of a further document or the making of an announcement;
4. in the opinion of the Joint Bookrunners there has occurred any material adverse change in the condition (financial, operational, legal or otherwise) of the Company and/or any other member of the Group whether or not arising in the ordinary course;
5. the application for Admission being refused by the London Stock Exchange; or
6. there having occurred or, in the opinion of the Joint Bookrunners (or either of them) it being reasonably likely that there will occur any material adverse change in the financial markets in the United Kingdom, or economic, monetary or market conditions (including a significant

and material worsening of the situation relating to COVID-19 which would have a material impact on the business and operations of the Company.

If the Placing Agreement is terminated prior to Admission then the Placing will not occur.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and that the Joint Bookrunners need not make any reference to Placees in this regard and that neither the Joint Bookrunners nor any of their respective Affiliates shall have any liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

### ***No Prospectus***

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of a prospectus in the United Kingdom or any equivalent document in any other jurisdiction. No offering document or prospectus has been or will be submitted to be approved by the FCA or the London Stock Exchange in relation to the Placing or the Placing Shares, and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) and the business and financial information that the Company is required to publish in accordance with the Listing Rules (the "**Exchange Information**") or which it has otherwise announced by means of a Regulatory Information Service ("**Publicly Available Information**"). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information/Publicly Available Information), representation, warranty, or statement made by or on behalf of the Company or the Joint Bookrunners or any other person and neither the Joint Bookrunners, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Joint Bookrunners, the Company or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor the Joint Bookrunners are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. No Placee should consider any information in this Announcement to be or constitute legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### ***Registration and Settlement***

Settlement of transactions in the Placing Shares will, unless otherwise agreed, take place on a delivery versus payment basis within CREST. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by the Joint Bookrunners in accordance with the standing CREST settlement instructions which they have in place with the Joint Bookrunners.

Settlement of transactions in the Placing Shares (ISIN: GB00B196F554) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**") provided that, subject to certain exceptions, the Joint Bookrunners reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement of the Placing Shares will be on 18 March 2021 unless otherwise notified by the Joint Bookrunners and Admission is expected to occur by 18 March 2021 or such later

time as may be agreed between the Company and the Joint Bookrunners, not being later 31 March 2021. The trade date for the Placing Shares will be 12 March 2021.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Joint Bookrunners account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the Joint Bookrunners on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Joint Bookrunners such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Joint Bookrunners lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that any form of confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither the Joint Bookrunners nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### ***Representations, Warranties and Further Terms***

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Joint Bookrunners (for itself and on behalf of the Company):

1. that it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription for Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. that the shares in the capital of the Company are admitted to the standard segment of the Official List and to trading on the Main Market, and the Company is therefore required to publish the Exchange Information, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such Exchange Information without undue difficulty and is able to obtain access to such information or comparable information concerning any other publicly traded company without undue difficulty;
3. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
4. that the exercise by the Joint Bookrunners of any right or discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners and the Joint Bookrunners need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Joint Bookrunners or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;

5. that these terms and conditions represent the whole and only agreement between it, the Joint Bookrunners and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement, the Exchange Information and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares. Each Placee agrees that neither the Company, the Joint Bookrunners nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
6. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in the UK Prospectus Regulation: (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the United Kingdom or any Member State of the European Economic Area other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners have been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom or any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
7. that neither it nor, as the case may be, its clients expect the Joint Bookrunners to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that the Joint Bookrunners are not acting for it or its clients, and that the Joint Bookrunners will not be responsible for providing the protections afforded to customers of the Joint Bookrunners or for providing advice in respect of the transactions described herein;
8. that it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither the Joint Bookrunners or the Company nor any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested the Joint Bookrunners, the Company or any of their respective Affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
9. that the only information on which it is entitled to rely on and on which it has relied upon in committing to subscribe for the Placing Shares is contained in this Announcement and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement and the Publicly Available Information;
10. that neither the Joint Bookrunners nor the Company nor any of their respective Affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of this Announcement or the Publicly Available Information;
11. that it and the person(s), if any, for whose account or benefit it is subscribing for the Placing Shares is not subscribing for and/or purchasing Placing Shares as a result of any "directed selling efforts" as defined in Regulation S;
12. that, unless specifically agreed with the Joint Bookrunners, it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares was given and it is not



acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;

13. that it is not a national or resident of Canada, Australia, New Zealand, , the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, New Zealand, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, New Zealand, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, New Zealand, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from the Securities Commission of any province of Canada, that no document has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission or Japanese Ministry of Finance and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into Canada, Australia, New Zealand, the Republic South Africa or Japan;
14. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
15. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or offering materials concerning the Placing or the Placing Shares to any persons within the United States;
16. that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Joint Bookrunners may in its discretion determine and without liability to such Placee;
17. that it is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Joint Bookrunners or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
18. that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for the Placing Shares and to perform its subscription obligations;
19. that where it is acquiring Placing Shares for one or more managed accounts, it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and this Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Joint Bookrunners;
20. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated and in the case of (a) and (b)

undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

21. that, unless otherwise agreed by the Joint Bookrunners, it is a qualified investor (as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended ("**FSMA**"));
22. that, unless otherwise agreed by the Joint Bookrunners, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
23. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA ) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
24. that any money held in an account with a Joint Bookrunner (or its nominees) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from a Joint Bookrunner's (or its nominee) money in accordance with such client money rules and will be used by the Joint Bookrunners in the course of its own business and each Placee will rank only as a general creditor of the relevant Joint Bookrunner;
25. that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its ordinary shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;
26. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;
27. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for and/or purchasing under the Placing unless and until Admission becomes effective;
28. that it appoints irrevocably any director of the Joint Bookrunners as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
29. that, as far as it is aware, it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company;
30. that this Announcement does not constitute a securities recommendation or financial product advice and that neither the Joint Bookrunners nor the Company has considered its particular objectives, financial situation and needs;
31. that it has sufficient knowledge, sophistication and experience in financial, business and investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
32. that it will indemnify and hold the Company and the Joint Bookrunners and their respective Affiliates, officers, directors, employees and agents harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the Company and the Joint

Bookrunners will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the Joint Bookrunners and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee pursuant to this Announcement (including this Appendix) are given to each Joint Bookrunner for itself and on behalf of the Company and will survive completion of the Placing and Admission;

33. that time shall be of the essence as regards obligations pursuant to this Appendix;
34. that it is responsible for obtaining any legal, financial, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or the Joint Bookrunners to provide any legal, financial, tax or other advice to it;
35. that all dates and times in this Announcement (including this Appendix) may be subject to amendment and that the Joint Bookrunners shall notify it of such amendments;
36. that (i) it has complied with its obligations under the Criminal Justice Act 1993, and UK MAR, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "**Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Joint Bookrunners such evidence, if any, as to the identity or location or legal status of any person which the Joint Bookrunners may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by the Joint Bookrunners on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Joint Bookrunners may decide in its absolute discretion;
37. that it will not make any offer to the public of those Placing Shares to be subscribed for by it for the purposes of the Prospectus Regulation Rules made by the FCA pursuant to Prospectus Regulation Rules Instrument 2019 (FCA 2019/80);
38. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;

39. that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Joint Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which its assets are located or any of its securities have a quotation on a recognised stock exchange;
40. that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to the Joint Bookrunners;
41. that the Joint Bookrunners owe no fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement;
42. that the Joint Bookrunners or any of their respective Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;
43. that no prospectus, admission document or other offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares; and
44. that if it has received any confidential price sensitive information or inside information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available.

The Company, the Joint Bookrunners and their respective Affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Joint Bookrunners for themselves and on behalf of the Company and are irrevocable.

The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by the Joint Bookrunners.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company or the Joint Bookrunners will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Joint Bookrunners in the event that any of the Company and/or the Joint Bookrunners have incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for any Placing Shares.

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by the Joint Bookrunners or by any of their respective Affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

## DEFINITIONS

The following definitions apply throughout this Announcement, unless the context requires otherwise:

<b>Admission</b>	means the admission of the Placing Shares to the standard segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange becoming effective
<b>Affiliates</b>	means in relation to a company, any holding company of that company or any subsidiary of any such holding company or any other body corporate that is owned or controlled by, in control of or under common control with, that company, together with the current and former directors, partners, officers (other than auditors), employees and agents of each of such persons and of that company;
<b>Announcement</b>	means this announcement (including the Appendix to this announcement)
<b>Banks</b>	Canaccord Genuity and WH Ireland
<b>Board</b>	the board of directors of the Company
<b>Business Day</b>	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
<b>Canaccord Genuity</b>	Canaccord Genuity Limited, the Company's joint bookrunner and joint broker in relation to the Placing
<b>certificated or in certificated form</b>	the description of a share or security which is not in uncertificated form (that is, not in CREST)
<b>Company or Avation</b>	Avation PLC of 5 Fleet Place, London, England, EC4M 7RD
<b>CREST</b>	the relevant systems for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations for the time being in force
<b>Directors</b>	the directors of the Company
<b>Euroclear</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>EUWA</b>	the European Union (Withdrawal) Act 2018, as amended
<b>Existing Ordinary Shares</b>	the 64,879,942 Ordinary Shares in issue as at the date of this

	Announcement (of which 2,210,000 are held in treasury)
<b>FCA</b>	the Financial Conduct Authority
<b>FSMA</b>	the Financial Services and Markets Act 2000, as may be amended from time to time
<b>Group</b>	the Company, together with its subsidiaries and subsidiary undertakings
<b>ISIN</b>	International Securities Identification Number
<b>Joint Bookrunners</b>	Canaccord Genuity and WH Ireland
<b>London Stock Exchange or LSE</b>	London Stock Exchange PLC
<b>Main Market</b>	means the LSE's main market for listed securities
<b>Ordinary Shares</b>	ordinary shares of 1 pence each in the capital of the Company
<b>Official List</b>	means the Official List of the FCA
<b>Placing</b>	the conditional placing of the Placing Shares on the terms and subject to the condition of the Placing Agreement and the terms and conditions contained in the Appendix to this Announcement
<b>Placing Agreement</b>	the Placing Agreement dated 11 March 2021 between the Company (1) Canaccord Genuity (2) and WH Ireland (3) relating to the Placing
<b>Placing Price</b>	110 pence per Placing Share
<b>Placing Shares</b>	a minimum of 5,663,636 Ordinary Shares which are proposed to be placed in accordance with the terms of the Placing
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules made by the FCA under Part VI of FSMA
<b>Securities Act</b>	the US Securities Act of 1933, as amended
<b>WH Ireland</b>	WH Ireland Limited, acting as the Company's joint bookrunner and joint broker in relation to the Placing