

NOTICE TO WARRANTHOLDERS

15 March 2022

Dear Warrantholder

WARRANTS (THE WARRANTS) ISSUED BY AVATION PLC (THE COMPANY) UNDER A WARRANT INSTRUMENT DATED 16 MARCH 2021 (THE INSTRUMENT)

We hereby give you notice pursuant to paragraph 16 of Schedule 2 of the Instrument by publication on the Company's website. Unless otherwise stated, terms defined in the Instrument shall have the same meaning in this notice.

We refer to the obligation under clause 2.2 of the Instrument for the Company to achieve admission of the warrants to trading on a Relevant Exchange. The Company's first choice for listing on a Relevant Exchange was to seek admission to the standard listing segment of the Official List of the FCA and for admission to trading on the Main Market.

However, in December 2021, changes were made by the FCA to the Listing Rules, increasing the required market capitalisation for a class of securities to be listed and the Company had to seek clarification and confirmation from the FCA that these changes would not affect the ability of the Company to proceed with a listing of the Warrants. The FCA took a number of weeks to provide the required confirmation that the proposed listing was indeed possible under the revised rules. The necessity of seeking this confirmation, and the delay caused by the time it took the FCA to respond, has delayed the Company in achieving the admission to a Relevant Exchange in accordance with the Instrument. However, in view of the advantages of being admitted to the Main Market, as opposed to the other Relevant Exchanges (being the Frankfurt Stock Exchange and Vienna Stock Exchange), it is the Company's view that Warrantholders will be better served by the Warrants being listed on the Main Market rather than those other exchanges.

We can confirm that the process of obtaining the FCA's approval of the prospectus required for admission to the Main Market is under way and we expect the vetting and approval process to take some four to six weeks from the date of this notice. Following approval by the FCA, trading in the Warrants will commence on the Main Market. This is expected during April 2022.

The Company has implemented changes to the Instrument to address for the following:

- The Company intends to issue Warrants to staff, so that they can benefit from the listing of these Warrants. The number of Warrants constituted by the Instrument has therefore been increased to 9.5 million warrants. These additional warrants once

avation PLC

65 Kampong Bahru Road
Singapore 169370

Main: +65 6252 2077
Fax: +65 6252 5158

issued will rank *pari passu* with the existing Warrants and otherwise be on the same terms including exercise price and expiry.

- The Instrument has been amended to provide for the proper dematerialisation of the Warrants in accordance with the UK's regulations on uncertificated securities, such that the Warrants will be capable of being traded via CREST.
- The Company has included an additional provision to the "cashless exercise" rights in clause 4 of the Instrument which will enable the Company to use a broker to place shares in the market to fund the exercised warrant rights where the Warrantholder has elected a cashless exercise pursuant to clause 4.2. Under this additional provision, an exercising Warrantholder will receive the same number of shares which are the product of the formula in clause 4.2. However, the Company will receive cash for the balance of the Warrant rights exercised (subject to any market fluctuations for which the Company will take the risk).

These technical changes to the Instrument have been made under clause 12.1 of the Instrument, with no change to the underlying rights attaching to the Warrants.

In order to prepare for the listing, Warrantholders are advised to seek advice from their brokers or custodians so that they can deal with the transfer of the Warrants from certificated form to uncertificated form in CREST at the appropriate time. This will require the Warrantholder to execute a CREST transfer form into the name of the broker or custodian's CREST participant entity.

In the meantime, the Company will be transferring the management of the register of Warrants to Computershare Investor Services PLC (**Computershare**), the Company's existing registrar for its ordinary shares. Computershare will deal with the processing of the CREST transfers in due course.

We will make further announcements via the London Stock Exchange's regulatory news service and/or by notice on our website.

Should you have any queries on the process, please do not hesitate to contact us at legal@avation.net.

Yours sincerely



Duncan Scott, Company Secretary
Avation PLC