

ADAPT IT HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1998/017276/06)
Share code: ADI
ISIN: ZAE000113163
("Adapt IT")



VOLARIS GROUP INC

(Incorporated in Canada)
(Corporation number: 002277095)
("Volaris")



JOINT ANNOUNCEMENT OF THE FIRM INTENTION OF VOLARIS FOR IT OR ITS NOMINATED WHOLLY-OWNED SUBSIDIARY ("Offeror") TO MAKE AN OFFER TO ACQUIRE CONTROL OF ADAPT IT, BY WAY OF A SCHEME OF ARRANGEMENT OR GENERAL OFFER

1. INTRODUCTION

- 1.1. Shareholders of Adapt IT are hereby advised that Adapt IT and Volaris have entered into a firm intention offer letter agreement ("FIO Agreement") pursuant to which *inter alia* Volaris has delivered notice to Adapt IT of its firm intention for the Offeror to make an offer ("Volaris Offer" or "Transaction") to acquire control of Adapt IT through the acquisition of up to 100% of the issued ordinary shares (excluding treasury shares) of Adapt IT ("Adapt IT Shares") from the holders of the Adapt IT Shares ("Adapt IT Shareholders"), by way of the Scheme (as contemplated in paragraph 2.1.1) or, if the Scheme is not proposed or fails, the General Offer (as contemplated in paragraph 2.1.2).
- 1.2. The Volaris Offer will be made at a cash consideration of ZAR 6.50 (six Rand and fifty Cents) ("Cash Consideration") per Adapt IT Share; however, as part of the Scheme, Adapt IT Shareholders are entitled to elect to retain all or part of their Adapt IT Shares (as contemplated in paragraph 2.2.2 below).
- 1.3. The Cash Consideration represents a premium of 56.9% to the 30-day volume weighted average traded price of Adapt IT shares on the exchange operated by the JSE Limited ("JSE") of ZAR 4.14 (four Rand and fourteen Cents), as at 26 January 2021, being the last trading date prior to the date on which the unsolicited general offer by Huge Group Limited to Adapt IT Shareholders was announced on the Stock Exchange News Service of the JSE ("SENS") ("Huge Offer").
- 1.4. The Cash Consideration represents a premium of 56.3% to the closing price of Adapt IT shares on the JSE of ZAR 4.16 (four Rand and sixteen Cents), as at 1 April 2021, being the last trading date prior to the date of the FIO Agreement.
- 1.5. The independent board of Adapt IT, established by Adapt IT in relation to the Volaris Offer, comprises Craig Michael Chambers, Oliver Darrel Fortuin, Catherine-Candice Koffman and Innocentia Zizopho Nyanga ("Independent Board").
- 1.6. Adapt IT Shareholders collectively holding 21.6% of the aggregate of the issued Adapt IT Shares (excluding treasury shares), have furnished irrevocable undertakings in respect of the Transaction (please refer to paragraph 12 below for relevant details in this regard).

2. THE VOLARIS OFFER AND CONSIDERATION

- 2.1. The Volaris Offer will be implemented by way of:
 - 2.1.1. a scheme of arrangement ("Scheme") in terms of section 114 of the Companies Act, No. 71 of 2008 ("Companies Act"), to be proposed by the Adapt IT board of directors ("Adapt IT Board") between Adapt IT and Adapt IT Shareholders, at the Scheme

Consideration (as defined in paragraph 2.2 below) and upon the terms and subject to the conditions set out in the circular to be distributed to Adapt IT Shareholders in due course ("Circular"); and

- 2.1.2. if, *inter alia*, the Scheme is not proposed or fails, a general standby offer by the Offeror to Adapt IT Shareholders ("General Offer"), as contemplated in section 117(1)(c)(v) of the Companies Act at the Cash Consideration and upon the terms and subject to the conditions set out in the Circular.
- 2.2. Under the terms of the Volaris Offer, if the Scheme is implemented, the Adapt IT Shareholders will be afforded an election to ("Scheme Consideration") –
 - 2.2.1. sell all or part of their Adapt IT Shares to the Offeror, on the operative date of the Scheme ("Scheme Implementation Date"), at the Cash Consideration ("Exit Election"); or
 - 2.2.2. retain all or part of their Adapt IT Shares ("Continuation Election"),

with the default position being that if Adapt IT Shareholders do not make valid elections, they will be deemed to have made Exit Elections in respect of all their Adapt IT Shares. The Cash Consideration set out in paragraph 1.2 above has been calculated on the assumption that Adapt IT will not conduct any capital reduction, make any distributions, dividends or similar payments to or for the benefit of Adapt IT Shareholders ("Distribution") between 1 April 2021 and the settlement date of the Cash Consideration. In the event that Adapt IT makes any such Distribution, the Cash Consideration will be adjusted downwards by the amount of the Distribution on a per share basis.
- 2.3. The implementation of the Scheme will be subject to the fulfilment or waiver (as the case may be) of the suspensive conditions set out in paragraph 6 below ("Scheme Conditions"). In the event that the Scheme becomes operative, the listing of the Adapt IT Shares on the Main Board of the JSE will be terminated following the approval of the Scheme Delisting Resolution (as referred to in paragraph 6.1.5 below), unless the Scheme Delisting Resolution is not approved by the requisite majority of Adapt IT Shareholders and the Offeror waives the Scheme Condition relating to such approval being obtained.
- 2.4. In the event that the Scheme fails or is not proposed to the Adapt IT Shareholders, the General Offer to Adapt IT Shareholders shall be implemented, which General Offer will be subject to the suspensive conditions contemplated in paragraph 17.1 below. To the extent that the General Offer is implemented, the listing of the Adapt IT Shares on the Main Board of the JSE will be terminated following the approval of the General Offer Delisting Resolution (as referred to in paragraph 17.3 below), unless the General Offer Delisting Resolution is not approved by the requisite majority of Adapt IT Shareholders and the Offeror waives the suspensive condition relating to such approval being obtained. Only Adapt IT Shareholders who have accepted the General Offer will sell their Adapt IT Shares to the Offeror for the Cash Consideration. Those Adapt IT Shareholders who do not accept the General Offer will remain shareholders in Adapt IT, which may become an unlisted subsidiary of the Offeror as aforesaid.

3. OVERVIEW OF VOLARIS AND CONSTELLATION SOFTWARE

- 3.1. Volaris specialises in acquiring vertical market software companies and is an operating group of Toronto listed Constellation Software Inc. ("Constellation Software") (TSX:CSU), which has a market cap in excess of USD 25 billion. Its decentralised business model offers vertical market software companies the ability to maintain their independence, which allows them to focus on the needs of customers and employees post-acquisition. Volaris' buy and perpetual hold acquisition philosophy provides a safe and permanent home for software businesses in a wide range of industries including Communications, Financial Services, Education and many more.

- 3.2. Constellation Software, the parent company of Volaris, is an international provider of market-leading software and services to a number of industries, both in the public and private sectors. Its mission is to acquire, manage and build market-leading software businesses that develop specialised, mission-critical software solutions.
- 3.3. Constellation Software was founded in 1995 to assemble a portfolio of vertical market software companies that have the potential to be leaders in their particular market. Since then, Constellation Software has grown through a combination of acquisitions and organic growth and has established a group of companies with a customer base comprised of over 125,000 customers operating in over 100 countries around the World.
- 3.4. With its headquarters in Toronto, Canada, and offices in North America, Europe, Asia, Australia, South America and Africa, Constellation Software has over 27,000 employees generating consolidated revenues exceeding US\$3.8 billion.

4. RATIONALE AND BENEFITS OF THE TRANSACTION

- 4.1. Successful conclusion of the Volaris Offer will result in a well-governed diversified South African technology company with high growth ambitions being backed by a well-capitalised leading global technology firm keen to support this growth. Volaris will be able to support the existing Adapt IT management team with capital, global reach, and best practices to aid the development of the Adapt IT business and further advance the value they deliver to customers. In turn, Adapt IT will come to represent Volaris' interests on the African continent, a region in which it currently has limited presence but intends to grow in the coming years. Volaris is confident that its long-term operating philosophy will create sustainable growth for Adapt IT, its management, its employees, its customers, its partners, and the broader community.
- 4.2. Accordingly, Volaris is of the opinion that the Volaris Offer is attractive for the following reasons –
 - 4.2.1. the Volaris Offer allows Adapt IT Shareholders to exit for a cash consideration or to remain shareholders in a delisted Adapt IT;
 - 4.2.2. the Cash Consideration is at a substantial premium;
 - 4.2.3. Volaris will support the existing Adapt IT management team with capital, global reach, and best practices to aid the development of the Adapt IT business and further advance the value they deliver to customers;
 - 4.2.4. Volaris is well capitalised and will enable sustainable growth for Adapt IT, its management, its employees, its customers, its partners, and the broader community;
 - 4.2.5. Volaris will use Adapt IT as its African champion for future transactions driven by the Adapt IT management team;
 - 4.2.6. post transaction, being part of a global group will enable Adapt IT to attract and retain new and existing talent with international opportunities for growth, training and development; and
 - 4.2.7. the Volaris Offer will result in much needed direct foreign investment for South Africa, additional growth capital being invested into South Africa and additional skills transfer, all to the benefit of Volaris, Adapt IT, South Africa and stakeholders in general.

5. OVERVIEW AND EFFECTS OF THE SCHEME

- 5.1. The Scheme will constitute an "affected transaction" as defined in section 117(1)(c) of the Companies Act. It will be implemented in accordance with the Companies Act and the Companies Regulations, 2011 ("Companies Regulations") and will be regulated by the Takeover Regulation Panel ("TRP").

- 5.2. The Circular will propose the Scheme only if on or before 30 April 2021, or such later date/s as may be extended by the Offeror (subject to such regulatory approval as may be required) –
- 5.2.1. the Independent Board has retained an independent expert ("Independent Expert") in terms of section 114(2) of the Companies Act and regulation 90 of the Companies Regulations, and such expert has prepared and issued a report in terms of section 114(3) of the Companies Act on the Scheme Consideration and the fairness and reasonableness thereof; and
- 5.2.2. the Independent Board confirms to the Offeror that it will recommend to the Adapt IT Shareholders to vote in favour of (i) the Scheme and the Scheme Delisting Resolution (as referred to in paragraph 6.1.5 below), and (ii) the General Offer Delisting Resolution (as referred to in paragraph 17.3 below) and to accept the General Offer, as may be applicable (for the avoidance of doubt no such confirmation has been provided as at the date of this announcement).
- 5.3. The condition in paragraph 5.2.1 above is regulatory in nature and cannot be waived. The Offeror may, in its discretion, waive the condition set out in paragraph 5.2.2 above.
- 5.4. In terms of the Scheme, the Offeror will acquire the relevant Adapt IT Shares from those Adapt IT Shareholders who exercise the Exit Election, in exchange for the Cash Consideration, whereupon Adapt IT will become a subsidiary of the Offeror. The listing of Adapt IT's shares on the Main Board of the JSE will be terminated following the approval of the Scheme Delisting Resolution (as referred to in paragraph 6.1.5 below).
- 5.5. Subject to the Scheme becoming unconditional:
- 5.5.1. Adapt IT Shareholders who have exercised the Exit Election (or are deemed to have exercised the Exit Election) will be deemed to have disposed of all or part (as applicable) of their Adapt IT Shares (including all rights, interests and benefits attaching thereto), free of encumbrances, to the Offeror on the Scheme Implementation Date in exchange for the Cash Consideration and the Offeror will be deemed to have acquired registered and beneficial ownership, free of encumbrances, of all such Adapt IT Shares as of the Scheme Implementation Date;
- 5.5.2. the disposal and transfer by any Adapt IT Shareholder of all or part of their Adapt IT Shares (as applicable) held by such Adapt IT Shareholder to the Offeror and the acquisition of ownership of such Adapt IT Shares by the Offeror pursuant to the provisions of the Scheme, shall be effected on the Scheme Implementation Date;
- 5.5.3. each Adapt IT Shareholder who has exercised the Exit Election (or is deemed to have exercised the Exit Election) will be deemed to have transferred to the Offeror, on the Scheme Implementation Date, all or part of the Adapt IT Shares (as applicable) held by such Adapt IT Shareholder, without any further act or instrument being required, and such Adapt IT Shareholders will be entitled to receive the Cash Consideration; and
- 5.5.4. Adapt IT Shareholders who have exercised the Continuation Election in respect of all or part of their Adapt IT Shares, shall retain the relevant Adapt IT Shares and will not be entitled to receive any consideration in respect of such election.
- 5.6. The Scheme shall terminate and cease with immediate effect only as follows:
- 5.6.1. if any Scheme Condition, which may be waived unilaterally by the Offeror or by the Offeror and Adapt IT by written agreement, as applicable, becomes incapable of fulfilment and the Offeror (or the Offeror and Adapt IT, as applicable) does not waive that Scheme Condition (if entitled to do so); or

- 5.6.2. if all the Scheme Conditions have not been fulfilled or waived on or by the date specified for fulfilment thereof.

6. THE SCHEME CONDITIONS

- 6.1. The implementation of the Scheme is subject to the fulfilment or, if appropriate, waiver (in whole or in part), of the following suspensive conditions by no later than 28 February 2022 in respect of the suspensive conditions set out in paragraphs 6.1.1 to 6.1.9 and 6.1.11 to 6.1.12, and by no later than 30 April 2021 in respect of the suspensive condition set out in paragraph 6.1.10, or such later date/s as may be extended by the Offeror (subject to such regulatory approval as may be required):
- 6.1.1. to the extent applicable, all requisite regulatory approvals required for the Scheme have been obtained from the JSE, the TRP, the Financial Surveillance Department of the South African Reserve Bank and the South African and other applicable foreign competition authorities (either unconditionally or subject to conditions acceptable to the Offeror);
- 6.1.2. the approval of the Scheme by the requisite majority of Adapt IT Shareholders as contemplated in section 115(2)(a) of the Companies Act at the general meeting of Adapt IT Shareholders to be convened for purposes of approving the Scheme (the "**Adapt IT General Meeting**") ("**Scheme Resolution**"), and –
- 6.1.2.1. to the extent required, the approval of the implementation of the Scheme Resolution by a court in terms of section 115(2)(c) and/or section 115(3) of the Companies Act;
- 6.1.2.2. if any person who voted against the Scheme Resolution, applies to court for a review of the Scheme Resolution in terms of section 115(3)(b) of the Companies Act, either:
- 6.1.2.2.1. leave to apply to court for any such review is refused; or
- 6.1.2.2.2. if leave is so granted, the court refuses to set aside the Scheme Resolution;
- 6.1.2.3. if applicable, Adapt IT not treating the Scheme Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- 6.1.3. the receipt of a compliance certificate or exemption issued by the TRP in terms of the Companies Act in relation to the Scheme;
- 6.1.4. within the period prescribed by section 164(7) of the Companies Act, no valid demands having been received by Adapt IT in terms of that section read with section 115(8) of the Companies Act which in aggregate represent more than 2.5% of the issued Adapt IT Shares (excluding treasury shares) as at the date of the Adapt IT General Meeting;
- 6.1.5. approval by the requisite majority of Adapt IT Shareholders at the Adapt IT General Meeting of the termination of Adapt IT's listing on the Main Board of the JSE in terms of section 1.15(a) of the Listings Requirements of the JSE (the "**Scheme Delisting Resolution**");
- 6.1.6. Adapt IT Shareholders holding at least 50% plus one of the Adapt IT Shares making the Exit Election (or are deemed to have made the Exit Election) as part of the implementation of the Scheme;
- 6.1.7. the executive directors of Adapt IT as at 4 April 2021 make the Continuation Election in respect of at least 90% of the Adapt IT Shares they hold directly or indirectly;
- 6.1.8. to the extent required, the counterparties to the material supplier and distributor / partner contracts of the Adapt IT group ("**Material Contracts**"), consenting in writing to the change of control of Adapt IT as a result of the implementation of the Scheme, in a manner and form reasonably acceptable to the Offeror (for purposes of this paragraph

- 6.1.8, a supplier contract shall be deemed to be "*material*" in the event that it represents at least 10% of Adapt IT's annual cost of sales, and a partner / distributor contract shall be deemed to be "*material*" in the event that it represents at least 10% of Adapt IT's annual gross revenue)
- 6.1.9. The Standard Bank of South Africa Limited has provided such consent or approval, in writing, as may be required under the written facility agreements entered into between it and the Adapt IT group ("**Facility Agreements**"), in order for the Scheme to be able to be implemented without triggering any event of default or other potential adverse consequence under the Facility Agreements;
- 6.1.10. each of the executive directors of Adapt IT has entered into and signed a service contract with the Adapt IT group on such terms and conditions and in such form and substance as is acceptable to the Offeror acting reasonably (as confirmed by the Offeror by written notice to Adapt IT), effective from the Scheme Implementation Date;
- 6.1.11. Adapt IT's value appreciation rights plan ("**VARP**") has been consequentially amended to allow for its continued operation to Adapt IT employees should Adapt IT be delisted from the Main Board of the JSE, as contemplated by the Scheme Delisting Resolution, on terms and conditions and in such form and substance as is acceptable to the Offeror acting reasonably (as confirmed by the Offeror by written notice to Adapt IT) and the participants of the VARP have waived their right to a comparable offer in terms of the Companies Regulations pursuant to the Scheme; and
- 6.1.12. no material adverse event ("**MAE**"), as contemplated in paragraph 6.2 below, has occurred.
- 6.2. A "MAE" will have occurred if either –
- 6.2.1. the gross revenue or EBITDA (as defined below) of Adapt IT as indicated in the consolidated audited annual financial statements for the period ending June 2021 is less than the gross revenue or EBITDA for the preceding financial year (ended June 2020) by 10% or more; or
- 6.2.2. the Scheme is implemented after the December 2021 interim results of Adapt IT are published and the gross revenue or EBITDA of Adapt IT as indicated in such interim results is less than the gross revenue or EBITDA indicated in the preceding financial year's interim results (December 2020) by 10% or more.
- For the purposes of this paragraph 6.2, EBITDA means Earnings Before Interest, Tax, Depreciation and Amortisation as reflected in the financial statements of Adapt IT in accordance with IFRS, but adjusted so as not to take into account:
- (i) costs of corporate actions and transactions;
 - (ii) any impairment of Right of Use Assets under IFRS 16;
 - (iii) any increase in the Financial Liability in respect of the Wisenet earnout under IFRS 3;
 - (iv) any impairment to the carrying value of goodwill or intangibles of the Aquilon (Energy) Cash Generating Unit; and
 - (v) other adjustments (including Fair Value adjustments pertaining to IFRS 3) which are, in accordance with the SAICA circular titled "Headline Earnings", excluded for the purposes of calculating Headline Earnings.
- 6.3. Volaris and Adapt IT shall use their reasonable endeavours to procure the fulfilment of the Scheme Conditions as soon as reasonably practicable.
- 6.4. The Scheme Conditions in –

- 6.4.1. paragraphs 6.1.1 to 6.1.3 above are regulatory in nature and cannot be waived;
- 6.4.2. paragraphs 6.1.8 and 6.1.9 above have been inserted for the benefit of Adapt IT and the Offeror, and shall be capable of waiver, in whole or in part, by mutual written agreement between Adapt IT and the Offeror; and
- 6.4.3. paragraphs 6.1.4 to 6.1.7 and 6.1.10 to 6.1.12 above have been inserted for the benefit of the Offeror, which will be entitled, in its sole discretion, to waive fulfilment of such Scheme Conditions, in whole or in part, on written notice to Adapt IT.
- 6.5. Unless all the Scheme Conditions have been fulfilled or, where possible, waived by not later than the relevant dates for fulfilment thereof set out in paragraph 6.1 (or such later date or dates to which the fulfilment date/s may have been extended in terms of paragraph 6.1) (each a "**Fulfilment Date**"), the Scheme shall terminate automatically on the Fulfilment Date of the first Scheme Condition that was not timeously fulfilled or, where possible, waived.

7. FUNDING AND CASH CONFIRMATION

- 7.1. The Cash Consideration will be funded by Volaris from a combination of debt and cash.
- 7.2. In accordance with Regulation 111(4) and Regulation 111(5) of the Companies Regulations, the Offeror has provided an irrevocable bank guarantee to the TRP which confirms that, in aggregate, the Offeror has sufficient cash resources in terms of Regulation 111 to satisfy payment of the maximum Cash Consideration ("**Maximum Cash Consideration**"). The Maximum Cash Consideration has been calculated on the basis that there are 137,261,839 Adapt IT ordinary shares in issue (excluding treasury shares).

8. MATERIAL PROVISIONS OF THE FIO AGREEMENT

8.1. Non-solicitation by Adapt IT

In terms of the FIO Agreement, Adapt IT has provided certain non-solicitation undertakings to Volaris that are appropriate for a transaction of the nature of the Transaction.

8.2. Other interim period undertakings

In terms of the FIO Agreement, Adapt IT has provided certain interim period undertakings to Volaris that are appropriate for a transaction of the nature of the Transaction.

8.3. Transaction assistance

In terms of the FIO Agreement:

- 8.3.1. each of Adapt IT and Volaris has provided undertakings to the other to do all such things as may be reasonably required to assist in preparing and executing the Transaction documentation; and
- 8.3.2. Adapt IT has provided *inter alia* an undertaking to propose the Scheme to the Adapt IT Shareholders.

9. BREAK FEE

- 9.1. Adapt IT undertakes to pay to Volaris a break fee equal to 1% of the Maximum Cash Consideration plus value-added tax ("**Break Fee**"), if –
 - 9.1.1. Adapt IT breaches any of the non-solicitation undertakings referred to in paragraph 8.1; or

- 9.1.2. a transaction resulting from an alternative offer (other than the Huge Offer) is consummated prior to the Scheme Implementation Date or the implementation date of the General Offer (as applicable).
- 9.2. Adapt IT shall pay the Break Fee to Volaris within 10 business days of any of the events described in paragraph 9.1.

10. DELISTING OF ADAPT IT SHARES

- 10.1. Should the Scheme be implemented, the listing of the Adapt IT Shares on the Main Board of the JSE will be terminated following the approval of the Scheme Delisting Resolution, unless the Scheme Delisting Resolution is not approved by the requisite majority of Adapt IT Shareholders and the Offeror waives the Scheme Condition relating to such approval being obtained.
- 10.2. In the event that the Scheme fails or is not proposed to the Adapt IT Shareholders, and the General Offer to Adapt IT Shareholders is implemented, the listing of the Adapt IT Shares on the Main Board of the JSE will be terminated following the approval of the General Offer Delisting Resolution (as referred to in paragraph 17.3 below), unless the General Offer Delisting Resolution is not approved by the requisite majority of Adapt IT Shareholders and the Offeror waives the suspensive condition relating to such approval being obtained.

11. INTERESTS OF OFFEROR AND OFFEROR DIRECTORS IN ADAPT IT SHARES

- 11.1. The Offeror does not hold any Adapt IT Shares.
- 11.2. The Offeror has not had any dealings in Adapt IT Shares during the six-month period prior to the date of signature of the FIO Agreement.
- 11.3. None of the Offeror's directors have a beneficial interest in Adapt IT Shares.
- 11.4. None of the Offeror's directors have had any dealings in Adapt IT Shares during the six-month period prior to the date of signature of the FIO Agreement.

12. IRREVOCABLE UNDERTAKINGS

Irrevocable undertakings have been given to vote in favour of the Scheme and the Scheme Delisting Resolution and General Offer Delisting Resolution (as referred to in paragraph 17.3 below), by the following Adapt IT Shareholders, who collectively hold 21.6% of the Adapt IT Shares (excluding treasury shares):

Shareholder	Number of Adapt IT Shares held	Adapt IT Shares held as a % of all the Adapt IT Shares in issue (excluding treasury shares)
Sibusiso Shabalala	14,316,646	10.4%
Nedgroup Investment Advisors	7,000,000	5.1%
Tiffany Dunsdon & the Dunsdon Self Managed Super Fund	4,500,000	3.3%
Rubistar (Pty) Limited	3,800,000	2.8%
Total	29,616,646	21.6%

13. REPORT OF THE INDEPENDENT EXPERT

- 13.1. The Independent Board has appointed Nodus Capital Proprietary Limited as the Independent Expert, as required in terms of section 114(2) of the Companies Act and the Companies Regulations, to issue an opinion dealing with the matters set out in sections 114(2) and 114(3) of the Companies Act and regulations 90, 110(1) and 113(1)(a) of the Companies Regulations,

to express an opinion on whether the Scheme Consideration is fair and reasonable to Adapt IT Shareholders.

- 13.2. The report of the Independent Expert to be prepared in accordance with section 114(3) of the Companies Act and regulations 90 and 110 of the Companies Regulations will be provided in the Circular.

14. OFFEROR ACTING AS PRINCIPAL

The Offeror (i.e. Volaris or a wholly-owned subsidiary of Volaris nominated by Volaris as set out below) will be the ultimate prospective purchaser of the relevant Adapt IT Shares and is acting alone and not in concert with any other person.

Volaris shall be entitled to nominate a wholly-owned subsidiary of Volaris as offeror by giving written notice to Adapt IT to that effect by not later than 20 business days after the date of the FIO Agreement.

15. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board accepts responsibility for the information contained in this announcement which relates to Adapt IT and confirms that, to the best of its knowledge and belief, such information which relates to Adapt IT is true and this announcement does not omit anything likely to affect the importance of such information.

16. VOLARIS BOARD RESPONSIBILITY STATEMENT

The board of directors of the Offeror accepts responsibility for the information contained in this announcement which relates to the Offeror and confirms that, to the best of its knowledge and belief, such information which relates to the Offeror is true and this announcement does not omit anything likely to affect the importance of such information.

17. GENERAL OFFER

- 17.1. If the Scheme is not proposed by 30 June 2021 or after the Scheme is proposed it fails for any reason ("**General Offer Trigger Event**"), then the Scheme will not become effective and an offer to holders of Adapt IT Shares to acquire all or part of their Adapt IT Shares by way of a general offer in terms of the Companies Act for the Cash Consideration will commence on the terms and conditions precedent consistent, *mutatis mutandis*, with those of the Scheme and, to the extent applicable, the FIO Agreement, and will be subject to an additional condition precedent that Adapt IT Shareholders tender that number of Adapt IT Shares which, when accepted by the Offeror, would result in the Offeror holding 50% plus one of the Adapt IT Shares, which additional condition precedent the Offeror shall be entitled to waive.
- 17.2. The General Offer will be a continuation of the affected transaction as defined in section 117 of the Companies Act. The General Offer will be implemented in accordance with the Companies Act and the Companies Regulations and will be regulated by the TRP.
- 17.3. To the extent that the General Offer is implemented, only Adapt IT Shareholders who have accepted the General Offer will sell their Adapt IT Shares to the Offeror for the Cash Consideration. Those Adapt IT Shareholders who do not accept the General Offer will remain shareholders in Adapt IT, which will, following the required approval by the requisite majority of Adapt IT Shareholders at the Adapt IT General Meeting of the termination of Adapt IT's listing on the Main Board of the JSE in terms of section 1.15(a) of the Listings Requirements of the JSE, become an unlisted subsidiary of the Offeror.
- 17.4. If a General Offer Trigger Event occurs, the salient dates and times relating to the General Offer will be published on SENS and in the press.

18. POSTING OF THE CIRCULAR

- 18.1. Further details of the Transaction will be included in the Circular, which will contain *inter alia* the Independent Expert's opinion and the recommendation of the Independent Board, the terms of the Scheme and General Offer, pertinent dates relating to the Scheme and General Offer, a notice of the Adapt IT General Meeting, a form of proxy and a form of election, surrender and transfer in respect of the Scheme.
- 18.2. The salient dates in relation to the Transaction will be published on SENS and in the press at the time of posting of the Circular. Shareholders are advised to refer to the Circular for the full terms of and conditions, including related salient dates and times, of the Scheme and the General Offer.

Johannesburg
7 April 2021

Financial Advisor to Adapt IT The Standard Bank of South Africa Limited	Legal Advisor to Adapt IT Webber Wentzel	Sponsor to Adapt IT Merchantec Capital
 Standard Bank	WEBBER WENTZEL in alliance with > Linklaters	 Merchantec capital
Transaction Advisor to Volaris PSG Capital	Legal Advisor to Volaris Cliffe Dekker Hofmeyr	Independent Expert to Adapt IT Nodus Capital Proprietary Limited
 PSG CAPITAL	 CDH CLIFFE DEKKER HOFMEYR	 nodus