THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date that the Ordinary Shares are marked ex-entitlement to the Open Offer by London Stock Exchange plc, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors, whose names are set out on page 7 of this document, accept responsibility for the information contained in this document other than that relating to Solus, the Solus Funds and their connected persons for which Craig Chobor accepts responsibility and the recommendation to Independent Shareholders to vote in favour of the Whitewash Resolution for which the Independent Directors accept responsibility. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Directors, whose names are set out on page 12 of this document, accept responsibility for the recommendation that Independent Shareholders vote in favour of the Whitewash Resolution. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

For the purposes of Rule 19.2 of the Takeover Code only, Mr Craig Chobor accepts responsibility for the information contained in this document relating to Solus, the Solus Funds and their connected persons. To the best of the knowledge and belief of Mr Craig Chobor (who has taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Exchange Shares and the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 26 April 2018 in respect of the Exchange Shares and 30 April 2018 in respect of the Open Offer Shares. The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on Ordinary Shares after Admission.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety. The total consideration under the Open Offer will be less than €5 million (or an equivalent amount) in aggregate and the Exchange Shares will only be available to qualified investors for the purposes of the Prospectus Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of the FSMA. Therefore, in accordance with section 85 and schedule 11A of the FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, pursuant to sections 85 and 87 of the FSMA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

Avanti Communications Group plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 06133927)

Proposed Restructuring of the Group's Indebtedness

Proposed waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers

Proposed Open Offer of up to 38,603,797 new Ordinary Shares at a price of 11.225 pence per share

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this document and which contains, amongst other things, the Independent Directors' unanimous recommendation that Independent Shareholders vote in favour of the Whitewash Resolution and the Directors' unanimous recommendation that Shareholders vote in favour of the Restructuring Resolutions and the Open Offer Resolutions to be proposed at the General Meeting. Your attention is also drawn to the Risk Factors contained in Part III of this document and the additional information on the Company contained in Part VIII of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 10.00 a.m. on 26 April 2018. The procedure for acceptance and payment is set out in Part V of this document and, where relevant, in the Application Form.

Cenkos Securities plc, which, in the United Kingdom, is authorised and regulated by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Proposals and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Cenkos Securities plc or for advising any other person in respect of the Proposals or any transaction, matter or arrangement referred to in this document. Cenkos Securities plc has not authorised the contents of any or part of this document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in

this document or for the omission of any information. Cenkos Securities plc's responsibilities as the Company's nominated adviser and broker are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. Apart from the responsibilities and liabilities, if any, which may be imposed on Cenkos Securities plc by the FSMA or the regulatory regime established thereunder, Cenkos Securities plc does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares, and the Proposals. Cenkos Securities plc accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Notice of a General Meeting of Avanti Communications Group plc, to be held at The Bridewell Suite, Crowne Plaza London – The City, 19 New Bridge Street, London EC4V 6DB at 10.00 a.m. on 25 April 2018, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom, by not later than 10.00 a.m. on 23 April 2018 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Limited (ID 7RA11) by no later than 10.00 a.m. on 23 April 2018 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. Members may also appoint a proxy or proxies electronically by registering the proxy with Neville Registrars Limited at www.sharegateway.co.uk using your personal proxy registration code (Activity Code) shown on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrars by the latest time(s) specified for receipt of Form(s) of Proxy and votes via CREST.

Qualifying Non-CREST Shareholders will find an Application Form accompanying this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 10 April 2018. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Existing Ordinary Shares prior to the date on which the Existing Ordinary Shares were marked ''ex-entitlement'' by the London Stock Exchange. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 23 April 2018, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to its stock account in CREST. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Shares pursuant to the Excess Application Facility may be made by the Qualifying Shareholder provided that their Open Offer Entitlement has been taken up in full and subject to being scaled back in accordance with the provisions of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

A copy of this document is available at the Company's website www.avantiplc.com.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document 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'', ''projects'', ''anticipates'', ''expects'', ''intends'', ''may'', ''will'', or ''should'' or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the Group's markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Rule 9 of the Takeover Code

In accordance with Rule 9 of the Takeover Code, this document together with a Form of Proxy must be and is being sent to all Shareholders, both in the UK and overseas (irrespective of whether or not the Shareholders can participate in the Open Offer). All Shareholders are requested to read this document, in particular paragraph 10 of Part I of this document which relates to the Rule 9 Waiver and the Takeover Code, and to complete and return a Form of Proxy, by post or by hand (during normal business hours) to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom, as soon as possible but in any event so as to be received not later than 10.00 a.m. on 23 April 2018 (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting). Shareholders who hold their Existing Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Limited (ID 7RA11) by no later than 10.00 a.m. on 23 April 2018 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish. Members may also appoint a proxy or proxies electronically by registering the proxy with Neville Registrars Limited at www.sharegateway.co.uk using your personal proxy registration code (Activity Code) shown on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrars by the latest time(s) specified for receipt of Form(s) of Proxy and votes via CREST.

Notice to overseas persons

The distribution of this document and/or any accompanying documents in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In addition, the transfer of Open Offer Entitlements or Excess Open Offer Entitlements through CREST, in jurisdictions other than the UK, including the Restricted Jurisdictions (as defined below), may be restricted by law and therefore persons into whose possession this document comes should inform

themselves about and observe any of those restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares, the Open Offer Entitlements and the Excess Open Offer Entitlements have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the **''US Securities Act''**) and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from the registration requirements of the US Securities Act. The Company intends to rely on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) for the issuance of the Exchange Shares to 2023 Note Holders. Subject to certain exemptions, this document and the Application Form do not constitute an offer of Open Offer Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer of Open Offer Shares in the United States. Outside of the United States, the Open Offer Shares are being offered in reliance on Regulation S under the US Securities Act.

The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Open Offer Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a ''Restricted Jurisdiction'') or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Open Offer Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. With the exception of the United States, the Exchange Shares may not be offered, sold, taken up, delivered or transferred in, into or from a Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction and this document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Exchange Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction.

In addition, Application Forms are not being posted to and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to a stock account of any person in the United States, Canada, Australia, Japan or the Republic of South Africa, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom is drawn to the section entitled **''Overseas Shareholders''** at paragraph 6 of Part V of this document.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to ''pounds sterling'', ''£'', ''pence'' and ''p'' are to the lawful currency of the United Kingdom, references to ''$'', ''US$'' and ''dollar'' are to the lawful currency of United States of America and references to ''EUR'' or ''€'' are to the lawful currency of the European Union. Unless otherwise stated, the basis of translation of pounds sterling into € for the purposes of inclusion in this document is €1.00/£0.87341 (being the exchange rate prevailing on 6 April 2018 being the latest practicable date prior to the publication of this document)).

Presentation of market, economic and industry data

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document, the Form of Proxy and the Application Form are defined and certain technical and other terms used in this document are explained at the section of this document under the headings ''Definitions'' and ''Glossary''.

All times referred to in this document, the Form of Proxy and the Application Form are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors*	Kyle Whitehill *(Chief Executive Officer)* Paul Walsh *(Chairman)* David Bestwick *(Technical Director)* Nigel Fox *(Group Financial Director)* Alan Harper *(Non-executive Director)* Peter Reed *(Non-executive Director)* Craig Chobor *(Non-executive Director)* Michael Leitner *(Non-executive Director)* Andy Green *(Non-executive Director)* Paul Johnson *(Non-executive Director)* Richard Mastoloni *(Non-executive Director)* Chris McLaughlin *(Non-executive Director)* All of whose business address is at the Company's registered and head office
Registered and Head Office	Cobham House 20 Black Friars Lane London EC4V 6EB
Company website	www.avantiplc.com
Company Secretary	Patrick Willcocks
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	Osborne Clarke LLP One London Wall London EC2Y 5EB
Legal advisers to Cenkos	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Reporting Accountants	KPMG LLP 15 Canada Square London E14 5GL

PROPOSED DEBT FOR EQUITY SWAP STATISTICS

Aggregate principal amount of 2023 Notes to be exchanged for Exchange Shares	US$557,035,832
Effective issue price of the Exchange Shares*	11.225 pence
Number of Exchange Shares being issued pursuant to the Debt for Equity Swap	1,999,676,704

PROPOSED OPEN OFFER STATISTICS

Issue Price	11.225 pence
Open Offer basic entitlement	5 Open Offer Shares for every 21 Existing Ordinary Shares
Number of Open Offer Shares (in aggregate)**	up to 38,603,797
Maximum gross proceeds of the Open Offer**	£4.33 million
Open Offer Basic Entitlements ISIN	GB00BFZWW109
Open Offer Excess Entitlements ISIN	GB00BFZWW216

SUMMARY OF THE DEBT FOR EQUITY SWAP AND THE OPEN OFFER

Issue Price	11.225 pence
Number of Existing Ordinary Shares in issue on the Record Date	162,135,949
Total number of New Ordinary Shares**	2,038,280,501
Number of Ordinary Shares in issue following Admission of the Exchange Shares	2,161,812,653
Percentage of the issued ordinary share capital of the Company on the Restructuring Effective Date following completion of the Debt for Equity Swap represented by the Exchange Shares	92.5 per cent.
Maximum number of Ordinary Shares in issue following Admission of the Open Offer Shares**	2,200,416,450
Percentage of the existing issued ordinary share capital of the Company being issued pursuant to the Open Offer following the Restructuring Effective Date**	23.81 per cent.
Percentage of the existing issued ordinary share capital of the Company being issued pursuant to the Debt for Equity Swap and the Open Offer**	1,257.1 per cent.
Estimated expenses of the Open Offer	£0.01 million
Estimated net proceeds of the Open Offer receivable by the Company**	£4.32 million
Market capitalisation at Admission of the New Ordinary Shares at the Issue Price***	£247.0 million

* Being the closing middle market price per Existing Ordinary Share on 5 April 2018, being the last practicable date before the date of this document.

** Assuming that the Exchange Shares have been issued and assuming take-up in full of the Open Offer by Qualifying Shareholders.

*** Assuming that the Exchange Shares have been issued and assuming take-up in full of the Open Offer by Qualifying Shareholders and before the issue of any Ordinary Shares pursuant to the exercise of options.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2018
Record Date for entitlement under the Open Offer	6.00 p.m. on 5 April
Announcement of the Open Offer, publication of this document, Form of Proxy and, in respect of Qualifying Non-CREST Shareholders, the Application Form	9 April
Ex-entitlement Date of the Open Offer	8.00 a.m. on 9 April
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	10 April
Latest recommended time and date for requested withdrawal of Basic Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 20 April
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST	3.00 p.m. on 23 April
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	10.00 a.m. on 23 April
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims only)	3.00 p.m. on 24 April
General Meeting	10.00 a.m. on 25 April
Results of General Meeting and Restructuring announced	25 April
Restructuring Effective Date	ASAP after the conditions to the Restructuring have been satisfied
Admission and dealings in the Exchange Shares expected to commence on AIM	8.00 a.m. on 26 April
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	10.00 a.m. on 26 April
Where applicable, expected date for CREST accounts to be credited in respect of Exchange Shares in uncertificated form	26 April
Admission and dealings in the Open Offer Shares expected to commence on AIM	8.00 a.m. on 27 April
Where applicable, expected date for CREST accounts to be credited in respect of Open Offer Shares in uncertificated form	30 April
Where applicable, expected date for despatch of definitive share certificates for Exchange Shares in certificated form	within 10 business days of 26 April
Where applicable, expected date for despatch of definitive share certificates for Open Offer Shares in certificated form	within 10 business days of 30 April
Longstop Date	30 April or as may be amended in accordance with the terms of the Scheme.

Notes:

1. Each of the above times and/or dates is subject to change at the absolute discretion of the Company and Cenkos. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting.

DEFINITIONS

The following definitions apply throughout this document, the Form of Proxy and the Application Form unless the context otherwise requires:

''2021 90% Proposed Amendments''	has the meaning given to it in paragraph B of Part II of this document
''2021 Consent Solicitations''	means the solicitation of consents from the 2021 Note Holders to approve the 2021 90% Proposed Amendments and the Majority Proposed Amendments and Proposed Waiver with respect to the 2021 Notes
''2021 Note Holders''	means the holders of the outstanding 2021 Notes
''2021 Notes''	means the 10%/15% Senior Secured Notes due 2021 issued by the Company pursuant to the 2021 Notes Indenture
''2021 Notes Indenture''	means the indenture, dated as of 26 January 2017, as amended and restated as of 23 March 2017 and as further supplemented by a first supplemental indenture dated as of 29 June 2017, a second supplemental indenture dated as of 30 June 2017, a third supplemental indenture dated as of 27 October 2017, a fourth supplemental indenture dated as of 8 February 2018 and a fifth supplemental indenture dated as of 8 February 2018, and to be amended further by a sixth supplemental indenture among, *inter alios*, the Company as issuer, The Bank of New York Mellon, London Branch as trustee and primary security agent and Wilmington Trust (London) Limited as secondary security agent, under which the 2021 Notes were issued, as supplemented, amended and restated from time to time
''2023 Consent Solicitations''	means the solicitation of consents from the 2023 Note Holders to approve the 2023 Jurisdiction Proposed Amendments and the Majority Proposed Amendments and Proposed Waiver with respect to the 2023 Notes
''2023 Jurisdiction Proposed Amendments''	has the meaning given to it in paragraph D of Part II of this document
''2023 Note Holders''	means the holders of the outstanding 2023 Notes
''2023 Notes''	means the 12%/17.5% Senior Secured Notes due 2023 issued by the Company pursuant to the 2023 Notes Indenture
''2023 Notes Indenture''	means the indenture, dated as of 3 October 2013, as amended and restated as of 23 March 2017 and as further supplemented by a first supplemental indenture dated as of 30 June 2017, and a second supplemental indenture dated as of 27 October 2017, a third supplemental indenture dated as of 8 February 2018 and a fourth supplemental indenture dated as of 8 February 2018, among, *inter alios*, the Company as issuer, The Bank of New York Mellon, London Branch as trustee as trustee and primary security agent and Wilmington Trust (London) Limited as secondary security agent, under which the 2023 Notes were issued, as supplemented, amended and restated from time to time
''75% Requisite Consents''	has the meaning given to it in paragraph D of Part II of this document
''90% Requisite Consents''	has the meaning given to it in paragraph B of Part II of this document
''Act''	the Companies Act 2006 (as amended)

''Additional Funds''	means certain additional funds being targeted by the Company, being: (a) an additional draw down of up to US$14.5 million under the Super Senior Facility subject to agreement by HPS Investment Partners, LLC; (b) an additional draw down of up to US$30 million under the 2021 Notes as permitted under the proposed 2021 Notes Indenture, conditional upon completion of the Restructuring; (c) the non-underwritten Open Offer for up to €5 million, conditional upon completion of the Restructuring; and/or (d) a proposed equity placing of up to US$30 million being considered post the completion of the Restructuring.
''Admission''	means: (a) in the case of the Exchange Shares, admission to trading on AIM of the Exchange Shares becoming effective in accordance with Rule 6 of the AIM Rules; and (b) in the case of the Open Offer Shares, admission to trading on AIM of the Open Offer Shares becoming effective in accordance with Rule 6 of the AIM Rules
''AIM''	the AIM Market operated by the London Stock Exchange
''AIM Rules''	the AIM Rules for Companies published by the London Stock Exchange from time to time
''Application Form''	the application form for use by Qualifying Non-CREST Shareholders in connection with the Open Offer
''Articles''	the existing articles of association of the Company as at the date of this document
''certificated form'' or ''in certificated form''	an Ordinary Share recorded on a company's share register as being held in certificated form (namely, not in CREST)
''Closing Price''	the closing middle market quotation of a share as derived from the AIM Appendix of the Daily Official List
''Company'' or ''Avanti''	Avanti Communications Group plc, a company incorporated and registered in England and Wales under the Companies Act 1985 with registered number 06133927
''connected person''	as defined in in section 252 of the Act
''Consenting Holders''	the Note Holders representing approximately 80 per cent. of the outstanding 2021 Notes and 71 per cent. of the outstanding 2023 Notes
''Consenting Shareholders''	Shareholders representing 36 per cent. of the Company's Existing Ordinary Shares
''Court''	the High Court of Justice in England and Wales
''Court Hearing''	the hearing of the Court of the application to sanction the Scheme and to make the Scheme Sanction Order
''CREST''	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
''CREST Regulations''	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
''Dealing Day''	a day on which the London Stock Exchange is open for business in London
''Debt for Equity Swap''	the proposed debt for equity swap of all of the Company's outstanding 2023 Notes for the Exchange Shares pursuant to the Scheme

''Directors'' or ''Board''	the directors of the Company whose names are set out on page 7 of this document, or any duly authorised committee thereof
''Enlarged Share Capital''	the issued Ordinary Shares immediately following Admission of the Exchange Shares and the Open Offer Shares (assuming all of the Open Offer Shares are issued but assuming no further Ordinary Shares are issued (whether pursuant to the Share Option Schemes or otherwise))
''Euroclear''	Euroclear UK & Ireland Limited, the operator of CREST
''Event of Default''	means an Event of Default under the 2021 Indenture and/or the 2023 Indenture, as applicable and as defined therein
''Excess Application Facility''	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer
''Excess CREST Open Offer Entitlements''	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
''Excess Open Offer Entitlements''	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to his Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on him taking up his Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
''Excess Shares''	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application facility
''Exchange Shares''	the 1,999,676,704 new Ordinary Shares to be issued pursuant to the Debt for Equity Swap
''Ex-entitlement Date''	the date on which the Existing Ordinary Shares are marked ''ex'' for entitlement under the Open Offer, being 9 April 2018
''Existing Ordinary Shares''	the 162,135,949 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM
''FCA''	the UK Financial Conduct Authority
''Form of Proxy''	the form of proxy for use in connection with the General Meeting which accompanies this document
''FSMA''	the Financial Services and Markets Act 2000 (as amended)
''FY2018''	means the financial year ending 30 June 2018
''General Meeting''	the general meeting of the Company to be held at The Bridewell Suite, Crowne Plaza London – The City, 19 New Bridge Street, London EC4V 6DB at 10.00 a.m. on 25 April 2018, notice of which is set out at the end of this document
''Group''	the Company, its subsidiaries and its subsidiary undertakings
''IFRS''	means International Financial Reporting Standards and refers to the international accounting standards within the meaning of IAS Regulation 1606/2002.
''Independent Directors''	means the Directors other than Craig Chobor, Peter Reed and Michael Leitner
''Independent Shareholders''	all Shareholders with the exception of Solus (voting on behalf of the Solus Funds), Great Elm Capital Management, Inc. (voting as investment manager on behalf of its underlying funds), Tennenbaum Capital Partners, LLC (voting as investment

	manager on behalf of its underlying funds) and any other Shareholders who are also 2023 Note Holders
''Issue Price''	11.225 pence per New Ordinary Share
''ITU''	the International Telecommunication Union
''KPMG''	KPMG LLP, in its capacity as the Company's reporting accountants
''London Stock Exchange''	London Stock Exchange plc
''Longstop Date''	means the date on which the terms of the Scheme will lapse if the Restructuring Effective Date has not already occurred, being 30 April 2018 or such later date as may be agreed in accordance with the terms of the Scheme
''Majority Proposed Amendments and Proposed Waiver''	has the meaning given to it in paragraph C of Part II of this document
''Money Laundering Regulations''	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
''Neville Registrars Limited'', ''Registrars'' or ''Receiving Agents''	Neville Registrars Limited
''New Ordinary Shares''	means together, the Exchange Shares and the Open Offer Shares
''Nominated Adviser'' or ''Cenkos''	Cenkos Securities plc, the Company's nominated adviser and broker
''Note Holders''	means the 2021 Note Holders and the 2023 Note Holders
''Notes''	means the 2021 Notes and the 2023 Notes
''Notice of General Meeting''	the notice convening the General Meeting which is set out at the end of this document
''Open Offer''	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form
''Open Offer Entitlement''	the individual entitlements of Qualifying Shareholders to subscribe for Open Offer Shares allocated to Qualifying Shareholders pursuant to the Open Offer
''Open Offer Resolutions''	means resolutions numbered 4 and 5 in the Notice of General Meeting
''Open Offer Shares''	the up to 38,603,797 new Ordinary Shares to be issued by the Company pursuant to the Open Offer
''Ordinary Shares''	ordinary shares of one penny each in the capital of the Company
''Overseas Shareholders''	Shareholders with a registered address outside the United Kingdom
''PIK''	payment in kind
''Profit Forecast''	means the profit forecast contained in Section A of Part VI of this document
''Proposals''	together, the Restructuring, the Rule 9 Waiver, the Open Offer and Admission
''Prospectus Rules''	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
''Qualifying CREST Shareholders''	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form

''Qualifying Non-CREST Shareholders''	Qualifying Shareholders holding Existing Ordinary Shares in certificated form
''Qualifying Shareholders''	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date but excluding any Overseas Shareholder who has a registered address in any Restricted Jurisdiction
''Record Date''	6.00 p.m. on 5 April 2018
''Regulatory Information Service''	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website
''Resolutions''	the resolutions set out in the Notice of General Meeting
''Restricted Jurisdiction''	means the United States, Australia, Canada, the Republic of South Africa, Japan and any other jurisdictions where the offer, sale, distribution, take-up or transfer of the Open Offer Shares or the Exchange Shares, as applicable, would constitute a breach of local securities laws or regulations
''Restructuring''	the restructuring of the Group's indebtedness to be implemented pursuant to the Restructuring Agreement, and as more particularly described in Part II of this document
''Restructuring Agreement''	the lock-up and restructuring agreement dated 13 December 2017 (as amended from time to time) between the Company and the Note Holders and Shareholders party thereto, as more particularly described in paragraph 6.1(b) of Part VIII of this document
''Restructuring Effective Date''	the date upon which all the steps required to implement the Restructuring have occurred
''Restructuring Resolutions''	means resolutions numbered 2 and 3 in the Notice of General Meeting
''Rule 9''	Rule 9 of the Takeover Code
''Rule 9 Waiver'' or ''Whitewash''	the waiver agreed by the Panel and to be approved by the Independent Shareholders of the obligation to make a general offer pursuant to Rule 9 that would otherwise fall upon Solus as a result of the issue and allotment to the Solus Funds of Exchange Shares pursuant to the Debt for Equity Swap and/or Open Offer Shares pursuant to the Open Offer
''Scheme''	means the scheme of arrangement pursuant to Part 26 of the Act to implement the Debt for Equity Swap
''Scheme Meeting''	means the meeting of the 2023 Note Holders to consider and vote upon the Scheme with respect to the Debt for Equity Swap
''Scheme Sanction Order''	the order of the Court to sanction the Scheme pursuant to section 899 of the Act
''Share Option Schemes''	means the following share option schemes operated by the Company: Long Term Incentive Plan; Unapproved share option plan (March 2010); Unapproved share option plan (July 2010); Unapproved share option plan (October 2010); Unapproved share option plan (April 2011); Unapproved share option plan (July 2011); Unapproved share option plan (October 2011); Unapproved share option plan (October 2011) key management personnel; Unapproved share option plan (March 2012); Unapproved share option plan (April 2012); Long Term Incentive Plan ('LTIP') (July 2013); Unapproved share option plan (October 2013); Unapproved share option plan (May 2014); and the Unapproved share option plan (May 2015)
''Shareholders''	holders of Ordinary Shares

''Solus''	Solus Alternative Asset Management LP
''Solus Funds''	Sola Ltd, Ultra Master Ltd, Solus Senior High Income Fund LP, Solus Opportunities Fund 5 LP and Ultra NB LLC.
''Super Senior Debt''	means the outstanding debt under the Super Senior Facility
''Super Senior Facility''	has the meaning given to it in paragraph 6.1(e) of Part VIII of this document
''Takeover Code''	the City Code on Takeovers and Mergers, issued by the Panel from time to time
''Takeover Panel'' or ''Panel''	the Panel on Takeovers and Mergers
''UK''	the United Kingdom of Great Britain and Northern Ireland
''US'' or ''United States''	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction
''US Exchange Act''	the United States Securities Exchange Act of 1934, as amended
''US Securities Act''	the United States Securities Act of 1933, as amended
''USE Instruction''	unmatched stock event instruction which, on its settlement, will have the effect of crediting a stock account of the Registrars under the participant ID and member account ID specified in paragraph 3.2.4 of Part V of this document, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for
''uncertificated'' or ''in uncertificated form''	an Ordinary Share recorded on a company's share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
''Whitewash Resolution''	the ordinary resolution (to be taken on a poll) of the Independent Shareholders concerning the waiver of obligations under Rule 9 of the Takeover Code to be proposed to the General Meeting in connection with the issue and allotment of Exchange Shares to the Solus Funds in connection with the Debt for Equity Swap and, if the Solus Funds participate in the Open Offer, the issue and allotment of Open Offer Shares to the Solus Funds in connection with the Open Offer, and set out as resolution 1 in the notice of General Meeting

GLOSSARY

The following terms have the meanings ascribed to them below throughout this document, the Form of Proxy and the Application Form unless the context otherwise requires:

''DTH''	Direct to home
''Ka-band''	A portion of the microwave part of the electromagnetic spectrum defined as frequencies in the range 18 to 40 gigahertz (GHz)
''Ku-band''	A portion of the electromagnetic spectrum in the microwave range of frequencies from 12 to 18 gigahertz (GHz)

EXECUTIVE SUMMARY

The Company considers that reading this executive summary may assist in your understanding of the full information set out in this document. However, this summary is, by its very nature, a simplified overview and should not be seen as a substitute for careful consideration of the whole of this document.

The Company is providing a high level summary because (i) the Company is committed to clear and concise and understandable communications with its Shareholders; (ii) the Proposals are complex; and (iii) the Company considers that reading an executive summary may assist in your understanding of the full information set out in this document.

Key highlights

- a Debt for Equity Swap pursuant to the Scheme approved by the High Court of Justice in England and Wales of all of the outstanding 2023 Notes for 92.5 per cent. of the Company's enlarged share capital following the issuance of the Exchange Shares (but for the avoidance of doubt before the issuance of the Open Offer Shares);
- an offer for subscription by existing shareholders pursuant to an Open Offer for up to £4.33 million;
- the amendment of certain terms of the 2021 Notes pursuant to the 2021 Notes Consent Solicitation;
- the amendment and waiver of certain standard events of default in the 2021 Notes Indenture and the 2023 Notes Indenture that might otherwise be triggered by the Restructuring; and
- the amendment to the submission to jurisdiction provision of the 2023 Notes Indenture to require that, from and after the date of effectiveness of the amendment, each party to the 2023 Notes Indenture irrevocably submits to the jurisdiction of the High Court of England and Wales until the Restructuring Agreement is either terminated or is no longer in effect.

If the Debt for Equity Swap and the Open Offer are completed, the Solus Funds will hold in aggregate up to a maximum of 42.0 per cent. of the Enlarged Share Capital (assuming that the Solus Funds subscribe for their full Open Offer Entitlement and that no other Shareholders subscribe for Open Offer Shares). The Restructuring is conditional, *inter alia*, upon the granting of a waiver by the Panel on Takeovers and Mergers, and also upon the approval by the Independent Shareholders of that waiver on a poll at a general meeting, in respect of the obligation to make a general offer pursuant to Rule 9 of the Takeover Code that would otherwise fall upon Solus as a result of the issue and allotment to the Solus Funds of new Ordinary Shares pursuant to the Debt for Equity Swap and (where relevant) the Open Offer. The Restructuring and the Open Offer are conditional upon, amongst other things, the Company obtaining approval from its Shareholders to disapply statutory pre-emption rights and to grant the Board authority to allot Ordinary Shares in connection with the Debt for Equity Swap and the proposed Open Offer and upon the Independent Shareholders approving the waiver of Rule 9 of the Takeover Code.

What this means for Shareholders

The detail of the Proposals, described as a ''restructuring'' and the ''open offer'' are complex and have been the subject of extensive negotiations between the Company and certain of its Shareholders and Note Holders.

As at 31 December 2017, the Company had US$118.0 million of indebtedness maturing in 2020, US$323.3 million of indebtedness maturing in 2021 and US$557.0 million of indebtedness maturing in 2023. In addition, the Company has a final payment to Orbital ATK Inc. of US$40 million to be paid at the earlier of completion of in-orbit testing or three months after the launch of HYLAS 4.

Shareholders should be aware that if the Restructuring does not complete by 30 April 2018, the Company will default on its bond interest payable under the existing bond indentures.

Furthermore, if the Restructuring completes but the Company is unable to raise Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders.

The ability to generate additional cash flows from operations is linked to a successful restructuring because, until the uncertainty regarding the Group's financial position and its ability to meet its future obligations is addressed:

1. it will be more difficult for the Group to attract and retain customers, staff and suppliers, which will put it at a competitive disadvantage;
2. the high cost of servicing its debt service obligations will reduce the Group's available working capital, prohibit the Group from investing in its business and could ultimately result in the Group filing for insolvency; and
3. existing commercial counterparties may seek to terminate or limit their business relationships with the Group.

Furthermore, the Directors believe that there is no reasonable prospect that a restructuring at a later date would produce a better outcome for the Company's stakeholders, including its Shareholders, when compared to the Restructuring currently proposed.

The Company is now putting the Proposals to you for approval. From the perspective of a Shareholder, you should carefully consider them as they fundamentally affect the future of the Company and your interest in it.

What we recommend you do

THE INDEPENDENT DIRECTORS' RECOMMENDATION IS THAT THE INDEPENDENT SHAREHOLDERS VOTE IN FAVOUR OF RESOLUTION 1 AND THE DIRECTORS' RECOMMENDATION IS THAT SHAREHOLDERS VOTE IN FAVOUR OF RESOLUTIONS 2, 3, 4 AND 5, TO BE PROPOSED AT THE GENERAL MEETING WHICH HAS BEEN CONVENED FOR 10.00 A.M. ON 25 APRIL 2018 TO PROTECT YOUR SHAREHOLDER VALUE. UNLESS ALL OF THE RESOLUTIONS ARE PASSED WE CANNOT MOVE FORWARD TO IMPLEMENT THE PROPOSALS. YOUR VOTE IS ACCORDINGLY CRITICAL.

In addition, the Company is proposing to offer to all Qualifying Shareholders the opportunity to participate in the Open Offer to raise a maximum of £4.33 million (assuming full take up of the Open Offer, but being less than the €5.0 million maximum amount permitted for the Open Offer without requiring the publication by the Company of a prospectus) through the issue of Open Offer Shares to Qualifying Shareholders at a price of 11.225 pence per share. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to other Qualifying Shareholders under the Excess Application Facility.

This means that Shareholders can apply in the Open Offer to acquire additional Ordinary Shares if they so wish, at the same effective price as the price at which the US$557,035,832 in aggregate principal amount of outstanding 2023 Notes is being exchanged for the Exchange Shares pursuant to the Debt for Equity Swap, and thereby mitigate some of the effect of the dilution that the Restructuring causes to existing shareholdings.

If you wish to participate in the Open Offer, please refer to Parts IV and V of this document.

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

PART I

LETTER FROM THE CHAIRMAN OF AVANTI COMMUNICATIONS GROUP PLC

Avanti Communications Group plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 06133927)

Directors:		*Registered office:*
Kyle Whitehill	*(Chief Executive Officer)*	Cobham House,
Paul Walsh	*(Chairman)*	20 Black Friars Lane
David Bestwick	*(Technical Director)*	London
Nigel Fox	*(Group Financial Director)*	EC4V 6EB
Alan Harper	*(Non-executive Director)*	
Peter Reed	*(Non-executive Director)*	
Craig Chobor	*(Non-executive Director)*	
Michael Leitner	*(Non-executive Director)*	
Andrew Green	*(Non-executive Director)*	
Paul Johnson	*(Non-executive Director)*	
Richard Mastoloni	*(Non-executive Director)*	
Chris McLaughlin	*(Non-executive Director)*	

9 April 2018

To Shareholders and for information only, to optionholders

Dear Shareholder,

Proposed Restructuring of the Group's Indebtedness
Proposed waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers
Proposed Open Offer of 38,603,797 new Ordinary Shares at a price of 11.225 pence per share
and
Notice of General Meeting

1. Introduction and summary

On 13 December 2017, your Board announced that it had entered into a Restructuring Agreement to implement a Restructuring of the Group's indebtedness and on 8 February 2018 it announced that it had successfully completed the 2021 Consent Solicitations and the 2023 Consent Solicitations. On 19 February it announced that it had launched the Scheme in connection with the Debt for Equity Swap. On 20 March 2018 it announced that the Scheme creditors had approved the Scheme and on 26 March 2018 it announced that the Court had approved the Scheme. Your Board further announced today that:

- it proposes to raise up to £4.33 million (before expenses) by way of an open offer of up to 38,603,797 Open Offer Shares at a price of 11.225 pence per Ordinary Share to existing shareholders; and
- it is progressing with the Restructuring and has convened a General Meeting to seek Shareholder approval in relation to: (i) a Whitewash Resolution concerning the waiver of the obligation to make a general offer pursuant to Rule 9 of the Takeover Code that would otherwise fall upon Solus as a result of the issue and allotment to the Solus Funds of Exchange Shares pursuant to the Debt for Equity Swap and (where relevant) Open Offer Shares pursuant to the Open Offer; and (ii) resolutions to grant the Board authority to allot the New Ordinary Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the New Ordinary Shares in connection with the Debt for Equity Swap and the Open Offer.

The Restructuring

The Restructuring comprises:

- a Debt for Equity Swap of all of the outstanding 2023 Notes for 92.5 per cent. of the Company's enlarged share capital following the issuance of the Exchange Shares (but for the avoidance of doubt before the issuance of the Open Offer Shares);

- the amendment of certain terms of the 2021 Notes pursuant to the 2021 Notes Consent Solicitation;
- the amendment and waiver of certain standard events of default in the 2021 Notes Indenture and the 2023 Notes Indenture that might otherwise be triggered by the Restructuring; and
- the amendment to the submission to jurisdiction provision of the 2023 Notes Indenture to require that, from and after the date of effectiveness of the amendment, each party to the 2023 Notes Indenture irrevocably submits to the jurisdiction of the Court until the Restructuring Agreement is either terminated or is no longer in effect.

Further details on the Restructuring are set out in paragraph 4 of this Part I and in Part II of this Document.

The Debt for Equity Swap and the Open Offer will result in the Solus Funds increasing their aggregate shareholding to up to a maximum of 42.0 per cent. of the Enlarged Share Capital (assuming that the Solus Funds subscribe for their full Open Offer Entitlement and that no other Shareholders subscribe for Open Offer Shares). The Restructuring is conditional, *inter alia*, upon the granting of a Rule 9 Waiver and the approval of the Whitewash Resolution in respect of Solus and the Company obtaining approval from its Shareholders to disapply statutory pre-emption rights and to grant the Board authority to allot the New Ordinary Shares.

Accordingly, the Board is seeking the approval of the Independent Shareholders to the Whitewash Resolution in order to approve the Rule 9 Waiver which the Panel has agreed with the Company to grant. Subject to the Whitewash Resolution being passed, the Rule 9 Waiver is a waiver of any obligation on the part of Solus to make a general offer to Shareholders under Rule 9 of the Takeover Code which otherwise might arise upon issue and allotment of Exchange Shares to the Solus Funds as a result of the Debt for Equity Swap and, if the Solus Funds participate in the Open Offer, Open Offer Shares pursuant to the Open Offer.

Further details of the Rule 9 Waiver are set out in paragraph 10 of this Part I. Further information on Solus and the Solus Funds is set out in paragraph 7 of this Part I and in Parts VII and VIII of this Document.

The Open Offer

The Board recognises and is grateful for the continued support received from Shareholders and is pleased to offer to all Qualifying Shareholders the opportunity to participate in the Open Offer to raise a maximum of £4.33 million (assuming full take up of the Open Offer, but being less than the €5.0 million maximum amount permitted for the Open Offer without requiring the publication by the Company of a prospectus under the Prospectus Rules) through the issue of Open Offer Shares to Qualifying Shareholders at a price of 11.225 pence per share.

The Issue Price is the same price as the closing middle market price of 11.225 pence per Ordinary Share on 5 April 2018, being the last practicable Dealing Day prior to the announcement of the Open Offer. The Issue Price is the same effective price as the price at which the US$557,035,832 in aggregate principal amount of outstanding 2023 Notes being exchanged for the Exchange Shares pursuant to the Debt for Equity Swap. The New Ordinary Shares will represent approximately 1,257.1 per cent. of the Company's issued ordinary share capital following Admission (assuming that all the New Ordinary Shares are issued).

The total amount that the Company could raise under the Open Offer is £4.33 million (before expenses), assuming that the Open Offer is fully subscribed.

The Open Offer is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Open Offer Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the Open Offer Shares and also upon the completion of the Restructuring.

The purpose of this document is to:

- **provide you with information regarding the background to and the reasons for the Restructuring, the Rule 9 Waiver and the Open Offer and to explain why the Board considers the Restructuring, the Rule 9 Waiver and the Open Offer to be in the best interests of the Company, the Independent Shareholders and the Shareholders as a whole;**

- **explain why the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Whitewash Resolution; and**
- **explain why the Directors unanimously recommend the Shareholders vote in favour of the Restructuring Resolutions and the Open Offer Resolutions.**

The Whitewash Resolution, the Restructuring Resolutions and the Open Offer Resolutions will be proposed at the General Meeting, notice of which is set out at the end of this document.

Shareholders should be aware that if the Restructuring does not complete by 30 April 2018, the Company will default on its bond interest payable under the existing bond indentures.

Furthermore, if the Restructuring completes but the Company is unable to raise Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders.

These possibilities are considered to be realistic, not remote.

2. The Company

The Company is a satellite operator providing fixed satellite services in Europe, the Middle East and Africa through its fleet of Ka-band satellites. Ka-band systems have higher frequency ranges and significantly higher spectral efficiency than satellite systems operating in other bands, such as Ku-band and C-band, allowing larger data carrying capacity at comparatively lower cost. The Company's satellite fleet is positioned in two of its three orbital slots, which are recorded in the International Telecoms Union Master International Frequency Register, providing coverage in Europe, the Middle East and Africa. The Company anticipates that its HYLAS 3 and HYLAS 4 satellites, which are not yet in operation, will primarily address high-growth markets in Africa and the Middle East, where terrestrial-based communications infrastructure is generally less developed and often not economically viable to develop, as well as providing back-up and growth capacity over Europe.

The Company sells satellite data communications services on a wholesale basis to a range of service providers who supply four key end markets: Broadband, Government, Enterprise and Backhaul. The Company's current fleet consists of two Ka-band satellites, HYLAS 1 and HYLAS 2, which have been commercially operational since April 2011 and October 2012, respectively, and Artemis, a multiband satellite acquired from the European Space Agency (the "**ESA**") on 31 December 2013, which was successfully re-orbited in November 2017, thereby ending the life of the former ESA spacecraft. The Company also has a satellite payload, HYLAS 2-B, which it has operated since November 2016 under an indefeasible right of use agreement entered into in June 2015 with another satellite operator, as well as a payload on the ESA's EDRS-C satellite, HYLAS 3, which is currently under construction and continues to experience delays and is now expected to launch in the first half of 2019 (although such date is subject to change). As of 30 June 2017, the Company had incurred approximately US$49.5 million and expected to incur an additional US$37.5 million in connection with the construction and launch of HYLAS 3.

The Company's HYLAS 4 satellite, which completes its coverage of Europe, the Middle East and Africa, was launched on 5 April 2018, with the target of being in orbital position ready for service in July 2018. The launch configuration for this slot enabled additional fuel to be embarked upon HYLAS 4, permitting it to reach geostationary orbit earlier than would otherwise be the case and enabled sufficient fuel to be embarked to support the satellite for up to 19 years in orbit.

HYLAS 4 is expected to generate revenue from July 2018, largely within the existing fixed cost base, and to have a strong positive effect on the Company's business as it completes EMEA coverage and greatly increases the amount of capacity available in mature markets in Western Europe and new markets in Africa. The efficient procurement of HYLAS 4 will bring the overall fleet cost per MHz down significantly, mitigating some of the effects of falling global prices for satellite

bandwidth. The Company is in discussions with a number of current and new distributors to sign up master partnership distribution agreements to market this new capacity, which is largely over sub-Saharan Africa countries. As of 30 June 2017, the Company had incurred costs of approximately US$237.4 million and expected to incur an additional US$121.8 million in connection with the construction, launch and insurance of HYLAS 4.

The Company is a public limited company incorporated under the laws of England and Wales, with subsidiaries incorporated in England, Isle of Man, Germany, Sweden, Turkey, Cyprus, Kenya, Nigeria, Tanzania and South Africa. The Company's Ordinary Shares are admitted to trading on AIM.

3. Background to and details of the proposed Restructuring

As at 31 December 2017, the Company had US$118.0 million of indebtedness maturing in 2020, US$323.3 million of indebtedness maturing in 2021 and US$557.0 million of indebtedness maturing in 2023. In addition, the Company has a final payment to Orbital ATK Inc. of US$40 million to be paid at the earlier of completion of in-orbit testing or three months after the launch of HYLAS 4.

Shareholders should be aware that if the Restructuring does not complete by 30 April 2018, the Company will default on its bond interest payable under the existing bond indentures.

Furthermore, if the Restructuring completes but the Company is unable to raise Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders.

The ability to generate additional cash flows from operations is linked to a successful restructuring because, until the uncertainty regarding the Group's financial position and its ability to meet its future obligations is addressed:

1. it will be more difficult for the Group to attract and retain customers, staff and suppliers, which will put it at a competitive disadvantage;
2. the Group's high cost of servicing its debt obligations will reduce its the Group's available working capital, prohibit the Group from investing in its business and could ultimately result in the Group filing for insolvency; and
3. existing commercial counterparties may seek to terminate or limit their business relationships with the Group.

Furthermore, the Directors believe that there is no reasonable prospect that a restructuring at a later date would produce a better outcome for the Company's stakeholders, including its Shareholders, when compared to the Restructuring currently proposed.

For these reasons, the directors of the Company are currently recommending the Restructuring, further details of which are described in paragraph 4 below and in Part II of this document.

4. Terms of the Restructuring

As the Company has sought to create a sustainable long-term capital structure from which to further develop its business, it commenced negotiations with an ad hoc committee of Note Holders and the Consenting Shareholders to develop a restructuring plan to reduce the aggregate amount of its outstanding indebtedness, decrease its future interest expense and enable the potential raising of new liquidity. In furtherance thereof, the Company entered into the Restructuring Agreement with certain of the Consenting Holders and Consenting Shareholders on 13 December 2017 in order to implement the Restructuring.

The Restructuring Agreement sets out the terms and conditions pursuant to which the Consenting Holders and Consenting Shareholders have agreed with the Company that they will take actions to support the implementation of the Restructuring, including, among other things, (1) consenting to the Majority Proposed Amendments and Proposed Waiver, the 2023 Jurisdiction Proposed

Amendments and the 2021 90% Proposed Amendments in the 2021 Consent Solicitations and the 2023 Consent Solicitations, (2) voting in favour of the Scheme with respect to the Debt for Equity Swap, and (3) approving the Rule 9 Waiver and the Resolutions to authorise the Directors to allot Ordinary Shares in connection with the Debt for Equity Swap and the Open Offer (as applicable).

In the Restructuring Agreement, the parties agree that if the Takeover Panel determines that any provision of the Restructuring Agreement that requires the Company to take or not take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Takeover Code, that provision shall have no effect and shall be disregarded.

The material terms of the Restructuring Agreement are described in Part II of this document and a summary is set out below.

Debt for Equity Swap

As of the date of this document, the Company has US$557,035,832 in aggregate principal amount of outstanding 2023 Notes.

In order to substantially reduce its outstanding indebtedness and significantly decrease its future interest expense, the Company will seek to implement the Debt for Equity Swap of all of its outstanding 2023 Notes for 1,999,676,704 Exchange Shares, which will represent approximately 92.5 per cent. of the Company's enlarged share capital following the issuance of the Exchange Shares (but for the avoidance of doubt before the issuance of the Open Offer Shares).

The Debt for Equity Swap will be implemented through the Scheme. In order to approve the Scheme with respect to the Debt for Equity Swap, a majority in number of 2023 Note Holders representing at least 75 per cent. in aggregate principal amount of the 2023 Notes held by those 2023 Note Holders voting in person, or by proxy at a meeting of 2023 Note Holders, must vote in favour of the Scheme with respect to the Debt for Equity Swap and the Scheme must then be sanctioned by the Court. The Scheme was approved by the requisite amount of 2023 Note Holders at the Scheme Meeting on 20 March 2018 and sanctioned by the Court at the Court Hearing on 26 March 2018.

If the Restructuring Effective Date has not occurred by the Longstop Date, the terms of the Scheme will lapse, unless such date has been extended pursuant to the terms of the Scheme.

Further details of the Debt for Equity Swap are set out in Part II of this document.

2021 90% Proposed Amendments

In addition to the proposed reduction in indebtedness and interest expense resulting from the Debt for Equity Swap, the Company sought to further decrease its future interest expense, improve its debt maturity profile and liquidity and eliminate onerous financial covenants by amending certain terms of its 2021 Notes. Details of the 2021 90% Proposed Amendments are set out in Part II of this document.

In order to implement the 2021 90% Proposed Amendments, the Company sought consent from the 2021 Note Holders to the 2021 90% Proposed Amendments pursuant to the 2021 Consent Solicitations, which were launched on 25 January 2018. Approval of the 2021 90% Proposed Amendments required the Company to obtain consent from 2021 Note Holders representing at least 90 per cent. in aggregate principal amount of the outstanding 2021 Notes. Such approval was obtained on 8 February 2018.

Further details of the 2021 90% Proposed Amendments are set out in Part II of this document.

Majority Proposed Amendments and Proposed Waiver

Avanti has also carried out consent solicitations with respect to both the 2021 Notes and the 2023 Notes to amend and waive certain standard events of default that might otherwise be triggered by the Restructuring. The Majority Proposed Amendments and Proposed Waiver were sought pursuant to the 2021 Consent Solicitations and 2023 Consent Solicitations that were launched on 25 January 2018. The requisite approvals to the Majority Proposed Amendments and Proposed Waiver were obtained on 8 February 2018.

Further details of the Majority Proposed Amendments and Proposed Waiver are set out in Part II of this document.

2023 Jurisdiction Proposed Amendments

In addition, Avanti sought consent from 2023 Note Holders representing at least 75 per cent. in aggregate principal amount of outstanding 2023 Notes to amend the submission to jurisdiction provision of the 2023 Notes Indenture to require that, from and after the date of effectiveness of the amendment, each party to the 2023 Notes Indenture irrevocably submit to the jurisdiction of the Court until the Restructuring Agreement is either terminated or is no longer in effect. The 2023 Jurisdiction Proposed Amendments were sought pursuant to the 2023 Consent Solicitation that was launched on 25 January 2018. The requisite approvals to the 2023 Jurisdiction Proposed Amendments were obtained on 8 February 2018.

Further details of the 2023 Jurisdiction Proposed Amendments are set out in Part II of this document.

Waiver of Rule 9 of the Takeover Code in relation to the Restructuring

It is expected that, immediately following the Debt for Equity Swap (but for the avoidance of doubt before the issuance of the Open Offer Shares), the Solus Funds would hold in aggregate up to a maximum of 41.5 per cent. of the enlarged share capital of the Company. Immediately following the Open Offer, it is expected that the Solus Funds would hold in aggregate up to a maximum of 42.0 per cent. of the Enlarged Share Capital (assuming that the Solus Funds subscribe for their full Open Offer Entitlements and that no other Shareholders subscribe for Open Offer Shares). Accordingly, in order to avoid Solus being required to make a general offer for the existing issued share capital not already held by it, the Company has sought the prior approval of the Takeover Panel and, subsequently, the approval of Independent Shareholders at a general meeting for a dispensation from Rule 9 of the Takeover Code.

Further details of the Rule 9 Waiver are contained in paragraph 10 of this Part I.

The Company will therefore convene a General Meeting of its Shareholders for the purposes of obtaining the necessary approvals to, *inter alia*, allot the New Ordinary Shares pursuant to the Debt for Equity Swap and the Open Offer and to obtain the approval from a majority of Independent Shareholders, on a poll, of the Rule 9 Waiver.

5. Update on outlook and profit forecasts

HYLAS 4 launched on 5 April 2018 and the Company expects services to commence in July 2018. As at 30 June 2017, the Company has incurred costs of approximately US$237.4 million and expected to incur additional costs of US$121.8 million in connection with the construction, launch and insurance of HYLAS 4.

HYLAS 3 continues to experience delays and the ESA has now advised Avanti not to expect a launch until the first half of 2019. The Company is currently exploring the best options for the exploitation of HYLAS 3. As at 30 June 2017, the Company had incurred costs of approximately US$49.5 million and expected to incur an additional US$37.5 million in connection with the construction and launch of HYLAS 3.

The Directors forecast that revenue for the current financial year will not be less than US$50 million. In addition, there is a large infrequently recurring transaction in the pipeline that, if it closes, would add a further US$40 million to Group revenue, with US$18 million of associated costs, in the current year. With effect from the end of the current financial year, the Company expects substantial growth in revenue driven off the introduction of HYLAS 4 to the fleet opening up new markets in sub-Saharan Africa.

Excluding the costs associated with the potential large transaction referred to above, the Directors forecast that costs of sale and operating expenditure for the current financial year will be US$86 million. This includes US$2m of costs related to the ARTEMIS satellite which will not recur in future years and US$9m of cost associated with equipment sold to customers which is expected to reduce in future financial years. Therefore underlying costs, are expected to fall within the range of US$75m to US$80m[1]. In the following two years underlying costs are expected to grow at c. 5 per cent. per annum subject to exchange rates and the mix of bandwidth revenues compared to kit and project revenues.

1 Underlying costs for FY18 of US$75m-US$80m are reached after deducting US$2m of costs incurred in operating and re-orbiting to a graveyard orbit the ARTEMIS satellite during FY18; and a reduction in the cost associated with equipment sold to customers to the anticipated future level of costs. As the Group focusses its resources on the sale of satellite bandwidth, it projects that costs associated with equipment sales will fall to a level of US$1.5 million per annum.

The Company anticipates that utilisation of HYLAS 4 will be 20-25 per cent. by the end of the fiscal year ending 30 June 2020, based on current operating assumptions.

Capital expenditure of US$117 million expected for the fiscal year ending 30 June 2018 primarily relates to the launch of HYLAS 4. This represents an increase from US$92 million capital expenditure expected for the fiscal year ending 30 June 2018 that was reported in the Company's update on outlook on 20 December 2016. This increase is due to the phasing of the expenditure with less spent in the fiscal year ended 30 June 2017 than was forecast at that time. Of the US$117.0 million expected, US$14.8 million of this was incurred in the three months ended 30 September 2017. The balance of US$102.2 million can be broken down as follows:

- US$40.0 million due to Orbital ATK Inc., to be paid at the earlier of completion of in-orbit testing or 3 months post-launch;
- US$21.27 million, which was paid to Arianespace in December 2017; and
- the remaining capital expenditure split between launch insurance and the ground infrastructure.

Of the US$19 million of capital expenditure expected for the fiscal year ending 30 June 2019 (previously US$32 million), the majority relates to the ground earth station in Senegal.

The Company's working capital position has stabilised following the provisions made in the fiscal year ended 30 June 2017. The main variable remains the ongoing arbitration for the recovery of the debt due from the Ministry of Defence of the Government of Indonesia, as discussed in further detail in the Company's financial statements for the fiscal year ended 30 June 2017. The Company is confident that it will recover the full outstanding amount.

The Company is forecasting a modest increase in working capital through the fiscal year ending 30 June 2019 as the Company sells capacity into new geographies and markets served by HYLAS 4.

The Company does not expect to pay corporation tax in the medium term due to more than US$300 million of gross losses accumulated in the fiscal year ended 30 June 2017, mainly related to start-up costs, capitalised interest and capital allowances.

As of 31 December 2017, the Company had cash and cash equivalents of approximately US$68.0 million.

Profit Forecasts

As part of this outlook, the Company is publishing the Profit Forecast and certain other forward-looking information set out in Part VI (Profit Forecasts) of this document.

6. Key Financial Information

Set out below is key financial information extracted from the Company's Annual Reports for the years ended 30 June 2017, 2016 and 2015 and the Company's Half-Year results for the six months ended 31 December 2017.

	Six months to 31 December 2017	*Year ended 30 June 2017*	*Year ended 30 June 2016*	*Year ended 30 June 2015*
	US$'000	*US$'000*	*US$'000*	*US$'000*
Revenue	20,167	56,578	82,796	85,181
Impairment charges	—	-123,981	—	—
Operating loss	-30,002	-203,702	-39,948	-32,834
Exceptional gain on substantial modification of debt	—	219,203	—	—
Loss after tax	-85,592	-65,691	-69,215	-73,391
Net increase/(decrease) in cash and cash equivalents	35,707	-23,654	-65,824	-73,070
Total assets	918,683	807,799	942,273	881,835
Net assets/(liabilities)	53,869	133,667	201,510	304,713
Cash and cash equivalents	68,442	32,735	56,389	122,213

The information shown above is a summary of the Company's financial information for the periods indicated. Shareholders should review the Company's complete Annual Reports and Half-Year Results in making their decision which are available on the Company's website http://www.avantiplc.com/investors/results-and-reports/.

7. Information on Solus and the Solus Funds

Solus, an investment adviser registered with the U.S. Securities and Exchange Commission, acts as investment adviser to the Solus Funds which are private investment funds. Solus and the Solus Funds specialise in investing in event-driven, distressed and special situation opportunities, but each Solus Fund has its own investment program. Investors in the Solus Funds include funds of funds, corporate pensions, public pensions and proprietary capital, among other types of investors.

The Solus Funds are each Shareholders and in aggregate hold 15.9% of the Existing Ordinary Shares.

The Form ADV Part 2A filed on 29 March 2018 with the SEC shows that, as at 31 December 2017, Solus had aggregate net assets (including committed but undrawn capital) under management (including the Solus Funds) of approximately US$6.3 billion.

Further information on Solus and the Solus Funds is set out in Parts VII and VIII.

Maximum potential controlling position

Immediately following completion of the Proposals, the Solus Funds will hold in aggregate up to a maximum of 914,065,771 Ordinary Shares, representing up to 42.0 per cent. of the Enlarged Share Capital (assuming that the Solus Funds subscribe for their full Open Offer Entitlement and that no other Shareholders subscribe for Open Offer Shares and also assuming that no other person has exercised any option or any other right to subscribe for shares in the Company following the date of this document).

8. The Open Offer

Details of the Open Offer

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate in an Open Offer for Open Offer Shares at the same effective price as the price at which the US$557,035,832 in aggregate principal amount of outstanding 2023 Notes is being exchanged for the Exchange Shares pursuant to the Debt for Equity Swap and accordingly the Company is making the Open Offer to Qualifying Shareholders. The Company is proposing to raise a maximum of £4.33 million (before expenses) (assuming full take up of the Open Offer but being less than the €5 million maximum amount permitted in

connection with the Open Offer without requiring the publication by the Company of a prospectus under the Prospectus Rules) through the issue of up to 38,603,797 Open Offer Shares.

The Open Offer Shares are available to Qualifying Shareholders pursuant to the Open Offer at the Issue Price of 11.225 pence per Open Offer Share, payable in full on acceptance. Any Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders may apply for Open Offer Shares under the Open Offer at the Issue Price on the following basis:

5 Open Offer Shares for every 21 Existing Ordinary Shares held by the Qualifying Shareholder on the Record Date

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be aggregated and made available under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered office in certain overseas jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part V of this document.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlement. Applications made under the Excess Application Facility will be scaled back (at the Company's sole discretion) *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Shares.

Application has been made for the Open Offer Entitlements to be admitted to CREST. It is expected that such Open Offer Entitlements will be credited to CREST on 10 April 2018. The Open Offer Entitlements will be enabled for settlement in CREST until 10.00 a.m. on 26 April 2018. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of *bona fide* market claims. The Open Offer Shares must be paid in full on application. The latest time and date for receipt of completed Application Forms or CREST applications and payment in respect of the Open Offer is 10.00 a.m. on 26 April 2018. The Open Offer is not being made to certain Overseas Shareholders, as set out in paragraph 6 of Part V of this document.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore the Open Offer Shares which are not applied for by Qualifying Shareholders will not be sold in the market for the benefit of the Qualifying Shareholders who do not apply under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part V of this document and on the accompanying Application Form.

The Open Offer is conditional upon the completion of the Restructuring and Open Offer Resolutions being duly passed at the General Meeting and Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 30 April 2018 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 31 May 2018). Accordingly, if the conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Receiving Agent will be returned to the applicants (at the applicant's risk and without interest) as soon as possible, but within 14 days thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

The Open Offer Shares will be issued free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of their issue.

Paul Walsh, Andrew Green and Paul Johnson have confirmed that they intend to take up their respective Open Offer Entitlements in full and David Bestwick and Nigel Fox have confirmed that they intend to take up their respective Open Offer Entitlements at least in part.

The interests of each of the Directors and their family (within the meaning of the AIM Rules) in the issued ordinary share capital of the Company and the existence of which is known to, or could with reasonable due diligence be ascertained by, any Director (i) as at the date of this document and (ii) as they are expected to be on Admission of the Open Offer Shares are as follows:

	Number of Existing Ordinary Shares	*Percentage of existing issued share capital*	*Number of Ordinary Shares (following Admission)*[1]	*Percentage of Ordinary Shares (following Admission)*[1]
Kyle Whitehill	—	—	—	—
Paul Walsh[2]	230,000	0.14%	234,107	0.01%
David Bestwick[3]	1,301,954	0.80%	1,325,203	0.06%
Peter Reed	—	—	—	—
Craig Chobor	—	—	—	—
Michael Leitner	—	—	—	—
Andrew Green[4]	21,888	0.01%	22,279	0.00%
Paul Johnson[5]	10,000	0.01%	10,179	0.00%
Richard Mastoloni	—	—	—	—
Christopher McLaughlin	—	—	—	—
Alan Harper	—	—	—	—
Nigel Fox[6]	134,580	0.08%	136,983	0.01
Total	**1,698,422**	**1.05%**	**1,728,751**	**0.08**

1 Assumes that all of the Exchange Shares have been issued and that 100 per cent. of the Ordinary Shares theoretically available under the Open Offer are subscribed for in the Open Offer.

2 Paul Walsh has confirmed to the Company that he intends to subscribe for his Open Offer Entitlement in full.

3 David Bestwick has confirmed to the Company that he intends to subscribe for his Open Offer Entitlement at least in part. The figures in this table assume that Mr Bestwick subscribes for his Open Offer Entitlement in full.

4 Andrew Green has confirmed to the Company that he intends to subscribe for his Open Offer Entitlement in full.

5 Paul Johnson has confirmed to the Company that he intends to subscribe for his Open Offer Entitlement in full.

6 Nigel Fox has confirmed to the Company that he intends to subscribe for his Open Offer Entitlement at least in part. The figures in this table assume that Mr Fox subscribes for his Open Offer Entitlement in full.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective at 8.00 a.m. on 26 April 2018 in respect of the Exchange Shares and at 8.00 a.m. on 30 April 2018 in respect of the Open Offer Shares.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following Admission.

9. Use of proceeds

The Directors intend that the net proceeds of the Open Offer of up to £4.32 million (assuming that the Open Offer is fully subscribed) will be used to fund general working capital requirements.

10. The City Code on Takeovers and Mergers

The acquisition of New Ordinary Shares by the Solus Funds pursuant to the Debt for Equity Swap and, if the Solus Funds participate in the Open Offer, pursuant to the Open Offer, gives rise to

certain considerations and consequences for Solus under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford to Shareholders are described below.

The Takeover Code is issued and administered by the Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a listed or unlisted public company incorporated in the United Kingdom. The Company is such a company and Shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights in a company which is subject to the Takeover Code is required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which, in aggregate, carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person, or any person acting in concert with him, which increases the percentage of shares carrying voting rights in which he is interested.

An offer under Rule 9 must be made in cash (or with a full cash alternative) at a price not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Rule 9 of the Takeover Code further provides, amongst other things, that where any person who, together with persons acting in concert with him holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not be required to make a general offer to the other shareholders to acquire the balance of their shares.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

As at the date of this document, the Solus Funds are in aggregate interested in 15.9 per cent. of the voting rights of the Company.

The interest of the Solus Funds in the Enlarged Share Capital of the Company following completion of the Debt for Equity Swap and the Open Offer (assuming that the Solus Funds subscribe for their full Open Offer Entitlements and that no other Shareholders subscribe for Open Offer Shares and also assuming that no other person has exercised any option or any other right to subscribe for shares in the Company following the date of this document) will increase to up to a maximum of 42.0 per cent. Solus would normally be obliged to make a general offer, pursuant to Rule 9 of the Takeover Code, to all other Shareholders to acquire their Ordinary Shares. However, in this instance, the Panel has agreed to waive the obligation to make a general offer that would otherwise arise as a result of the Solus Funds acquiring Exchange Shares pursuant to the Debt for Equity Swap and (where relevant) Open Offer Shares pursuant to the Open Offer subject to the approval of the Independent Shareholders on a poll at the General Meeting which will be sought pursuant to Resolution 1. To be passed, this Resolution will require the approval of a simple majority of votes cast on that poll. Only Independent Shareholders will be entitled to vote on this Resolution. Solus (voting on behalf of the Solus Funds), Great Elm Capital Management, Inc. (voting as investment manager on behalf of its underlying funds), Tennenbaum Capital Partners (voting as investment manager on behalf of its underlying funds), and any other Shareholders who are also 2023 Note Holders will be ineligible to vote on the Whitewash Resolution as a result of their participation in the Debt for Equity Swap.

Following completion of the Restructuring and the Open Offer, the Solus Funds will be interested in, in aggregate, shares carrying more than 30 per cent. of the Company's voting share capital but will not hold shares comprising more than 50 per cent. of such voting rights. Following completion of Admission of the Exchange Shares and the Open Offer Shares, Rule 9 of the Takeover Code will continue to apply to Solus, requiring a general offer to be made to all Shareholders if the Solus

Funds or persons acting in concert with them acquire any Ordinary Shares in addition to those which are the subject of the Whitewash Resolution, unless a further waiver is obtained (or in certain other limited circumstances). Shareholders should note that the waiver of Rule 9 of the Takeover Code which the Panel has agreed to give (conditional on the Whitewash Resolution being passed by the Shareholders) is only in respect of the acquisition of Ordinary Shares by the Solus Funds as a result of the Restructuring and the Open Offer and not in respect of any other future acquisition of Ordinary Shares by the Solus Funds or persons acting in concert with them. In the event that the Whitewash Resolution is passed by Independent Shareholders at the General Meeting, Solus will not be restricted from making an offer for the Company but will not be required to make an offer.

The Takeover Code requires the independent directors of a company to receive competent independent advice as to whether the terms of the transaction are fair and reasonable. Accordingly, Cenkos, as adviser to the Company, has provided formal advice to the Independent Directors regarding the merits of the Restructuring (including the Debt for Equity Swap) and the Open Offer. Cenkos confirms that it is independent of Solus and the Solus Funds and has no personal, financial or commercial relationship, arrangement or undertaking with Solus or any of the Solus Funds.

For the avoidance of doubt, this waiver applies only in respect of increases in shareholdings of the Solus Funds resulting from the Debt for Equity Swap and the Open Offer and not in respect of other increases in its holdings. Mr Chobor, who is connected with Solus, has not taken part in any decision of the Independent Directors relating to the proposal to seek a waiver of Rule 9 from the Panel.

Further background information in relation to Solus and the Solus Funds is set out in Part VII of this document.

11. Effect of the Restructuring and the Open Offer

Upon Admission of the New Ordinary Shares, and assuming full take up of the Open Offer Entitlements and no further exercise of options under the Company's share schemes, the Enlarged Share Capital is expected to be 2,200,416,450 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 92.5 per cent. of the Enlarged Share Capital.

Following the issue of the New Ordinary Shares pursuant to the Restructuring and the Open Offer, assuming full take up of the Open Offer Entitlements and no further exercise of options under the Share Option Schemes, Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of approximately 1,257.1 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full he will suffer a dilution of approximately 996.2 per cent. to his interest in the Company.

12. Risk Factors

Shareholders should consider fully and carefully the risk factors associated with the Restructuring, the Open Offer and the operations of the Group. Your attention is drawn to the risk factors in Part III of this document.

13. The General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held on 25 April 2018 at The Bridewell Suite, Crowne Plaza London – The City, 19 New Bridge Street, London EC4V 6DB at 10.00 a.m., at which the Resolutions will be proposed for the purposes of implementing the Whitewash, the Restructuring and the Open Offer.

IMPORTANT NOTE: Shareholders who are also 2023 Notes Holders are not entitled to vote on Resolution 1 as a result of their participation in the Debt for Equity Swap. All Shareholders are entitled to vote on Resolutions 2, 3, 4 and 5.

Resolution 1, which will be proposed as an ordinary resolution to be taken on a poll and in respect of which only Independent Shareholders will be entitled to vote, seeks the approval of Independent Shareholders to a waiver of the obligation on Solus which would otherwise arise under Rule 9 of the Takeover Code as a result of the Solus Funds' participation in the Debt for Equity Swap and/or the Open Offer. Solus (voting on behalf of the Solus Funds), Great Elm Capital Management, Inc. (voting as investment manager on behalf of its underlying funds), Tennenbaum Capital Partners, LLC (voting as investment manager on behalf of its underlying funds) and any other Shareholders

who are also 2023 Notes Holders (who, in each case, are deemed to be non-independent shareholders due to their participation in the Debt for Equity Swap) will not be entitled to vote on Resolution 1.

Resolution 2, which will be proposed as an ordinary resolution and which is subject to the passing of Resolutions 1 and 3, is to authorise the Directors to allot 1,999,676,704 Exchange Shares in connection with the Debt for Equity Swap provided that such authority shall expire on the date falling 18 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier. This amount represents approximately 1,233.3 per cent. of the issued share capital of the Company.

Resolution 3, which will be proposed as a special resolution and which is subject to the passing of Resolutions 1 and 2, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Exchange Shares pursuant to the Debt for Equity Swap provided that such authority shall expire on the date falling 18 months after the date of the resolution or the next annual general meeting of the Company, whichever is the earlier.

The Board may only use the authorities conferred by Resolutions 2 and 3 in connection with the Debt for Equity Swap.

Resolution 4, which will be proposed as an ordinary resolution and which is conditional upon the passing of Resolutions 1, 2, 3 and 5, is to authorise the Directors to allot up to 38,603,797 Open Offer Shares in connection with the Open Offer and otherwise to allot relevant securities up to £7,334,721.50 in nominal value (representing one third of the issued share capital following Admission of the New Ordinary Shares) provided that such authority shall expire on the date falling 18 months after the date of the resolution or on the date of the next annual general meeting of the Company, whichever is the earlier.

Resolution 5, which will be proposed as a special resolution and which is conditional upon the passing of Resolutions 1, 2, 3 and 4, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Open Offer Shares pursuant to the Open Offer and in connection with an offer of equity securities to Shareholders but subject to such exclusions or other arrangements, such as fractional entitlements and overseas shareholders as the Director's consider necessary. Resolution 5 grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £1,100,208.23 (representing 5 per cent. of the issued share capital following Admission of the Exchange Shares and the Open Offer Shares) provided that such authority shall expire on the date falling 18 months after the date of the resolution or on the date of the next annual general meeting of the Company, whichever is the earlier.

14. Action to be taken

In respect of the General Meeting

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 23 April 2018 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Existing Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Limited (ID 7RA11) by no later than 10.00 a.m. on 23 April 2018 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The completion and return of a Form of Proxy or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

Members may also appoint a proxy or proxies electronically by registering the proxy with Neville Registrars Limited at www.sharegateway.co.uk using your personal proxy registration code (Activity Code) shown on the Form of Proxy. For an electronic proxy appointment to be valid, the

appointment must be received by the Company's registrars by the latest time(s) specified for receipt of Form(s) of Proxy and votes via CREST.

In respect of the Open Offer

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the accompanying Application Form in accordance with the instructions set out in paragraph 3 of Part V of this document and on the accompanying Application Form and return it, together with the appropriate payment in the envelope provided to the Receiving Agent, to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom so as to arrive no later than 10.00 a.m. on 26 April 2018.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 3 of Part V of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 3.2 of Part V of this document by no later than 10.00 a.m. on 26 April 2018.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

15. Overseas Shareholders

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 6 of Part V of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you pay particular attention to that paragraph of this document.

16. Additional information

The attention of Shareholders is drawn to the additional Open Offer information contained in Parts IV and V of this document.

17. Importance of the Resolutions

The Directors believe that the Restructuring, if implemented, will help to create a sustainable long-term capital structure and is in the best interest of all those with an economic interest in the Group. Completion of the Debt for Equity Swap pursuant to the Scheme would result in the capitalisation of US$557.0 million in aggregate principal amount of 2023 Notes and approximately US$81.0 million in interest expense savings per year. Adoption of the 2021 90% Proposed Amendments, pursuant to the 2021 Consent Solicitations, would result in interest expense savings of approximately US$11.0 million per year, as a result of the elimination of the margin increase and assuming the Company pays interest at 9 per cent. on the 2021 Notes for all remaining interest periods.

It should be noted that the Proposals are subject to various conditions, including the passing of the Resolutions at the General Meeting. There is, therefore, no certainty that the Restructuring and the Open Offer will proceed.

Shareholders should be aware that if the Restructuring does not complete by 30 April 2018, the Company will default on its bond interest payable under the existing bond indentures.

Furthermore, if the Restructuring completes but the Company is unable to raise Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take

action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders.

Paragraph 18 below sets out the recommendations of the Independent Directors and the Directors in relation to the Resolutions. In compliance with Note 4 to Rule 25.2 of the Takeover Code, Craig Chobor, Peter Reed, Michael Leitner have not participated in the Independent Directors' recommendation of the Whitewash Resolution as they are considered to have conflicts of interest as a result of Mr Chobor's employment with Solus, Mr Reed's directorship of Great Elm Capital Management, Inc. (the investment manager of certain underlying funds which are 2023 Note Holders participating in the Debt for Equity Swap) and Mr Leitner's partnership of Tennenbaum Capital Partners, LLC (the investment manager of certain underlying funds which are 2023 Note Holders participating in the Debt for Equity Swap).

18. Recommendation

The Independent Directors, who have been so advised by Cenkos, consider the Restructuring, the Open Offer and the Rule 9 Waiver to be fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Whitewash Resolution to be proposed at the General Meeting.

The Independent Directors and their immediate families and connected persons (within the meaning of section 252 of the Act) who hold Ordinary Shares have confirmed their intention to vote in favour of the Whitewash Resolution in respect of their beneficial holdings which, in aggregate, total 1,698,422 Existing Ordinary Shares, representing 1.05 per cent. of the existing issued share capital of the Company as at the date of this document.

The Directors consider the Restructuring and the Open Offer to be fair and reasonable and in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend that Shareholders vote in favour of the Restructuring Resolutions and the Open Offer Resolutions to be proposed at the General Meeting.

The Directors and their immediate families and connected persons (within the meaning of section 252 of the Act) who hold Ordinary Shares have confirmed their intention to vote in favour of the Restructuring Resolutions and the Open Offer Resolutions, being proposed at the General Meeting in respect of their beneficial holdings which, in aggregate, total 1,698,422 Existing Ordinary Shares, representing 1.05 per cent. of the existing issued share capital of the Company as at the date of this document.

Yours faithfully

Paul Walsh
Chairman

PART II

ADDITIONAL INFORMATION ON THE RESTRUCTURING

Existing Group indebtedness

The Company's ability to continue as a going concern is dependent upon (1) the successful completion of the Restructuring, which will result in the capitalisation of approximately US$557.0 million of 2023 Notes and interest expense savings of approximately US$81.0 million per year and will permit the Company to pay PIK interest on the Notes in accordance with the terms thereof, (2) the Company raising Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 (including the proceeds received from the Open Offer) and (3) the substantial achievement of the Company's cash flow forecasts, which significantly exceed cash flows from the prior fiscal year.

As of 31 December 2017, the Company had approximately US$68.0 million of cash and cash equivalents. For the fiscal year ending 30 June 2018, the Company expects that its costs will remain broadly in line with prior years and that it will incur an additional US$117.7 million of capital expenditure, primarily related to the launch of HYLAS 4. As of 31 December 2017, the Company had US$118.0 million in aggregate principal amount of indebtedness maturing in 2020, US$323.3 million in aggregate principal amount of indebtedness maturing in 2021 and US$557.0 million in aggregate principal amount of indebtedness maturing in 2023. Absent the completion of the Restructuring, the Company would be required to pay approximately US$20.2 million in cash interest expense to 2021 Note Holders for the interest period ended March 31 2018.

In the event that the Restructuring is not successfully completed, the 2023 Notes will remain outstanding, and both the 2021 Notes and the 2023 Notes will require cash interest payments from 1 October 2018 through maturity. In such case, the Company will have significant cash interest expense obligations of approximately US$131.3 million per year that it will not be able to meet.

The Directors are, therefore, of the view that, if the Restructuring is not successful and the Company is unable to raise Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 (including the proceeds received from the Open Offer), then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders. These possibilities are considered to be realistic, not remote.

Summary of the Restructuring

The Restructuring comprises:

- a Debt for Equity Swap of all of the outstanding 2023 Notes for 92.5 per cent. of the Company's enlarged share capital following the issuance of the Exchange Shares (but for the avoidance of doubt before the issuance of the Open Offer Shares);
- the amendment of certain terms of the 2021 Notes pursuant to the 2021 Notes Consent Solicitation;
- the amendment and waiver of certain standard events of default in the 2021 Notes Indenture and the 2023 Notes Indenture that might otherwise be triggered by the Restructuring; and
- the amendment to the submission to jurisdiction provision of the 2023 Notes Indenture to require that, from and after the date of effectiveness of the amendment, each party to the 2023 Notes Indenture irrevocably submits to the jurisdiction of the Court until the Restructuring Agreement is either terminated or is no longer in effect,

(the **''Restructuring''**).

Further details of the Restructuring are described below.

The Restructuring Agreement sets out the terms and conditions pursuant to which the Consenting Holders and Consenting Shareholders have agreed with the Company that they will take actions to

support the implementation of the Restructuring, including, among other things, (1) consenting to the Majority Proposed Amendments and Proposed Waiver, the 2023 Jurisdiction Proposed Amendments and the 2021 90% Proposed Amendments in the 2021 Consent Solicitations and the 2023 Consent Solicitations, (2) voting in favour of the Scheme with respect to the Debt for Equity Swap, and (3) approving the Rule 9 Waiver and the Resolutions to authorise the Directors to allot Ordinary Shares in connection with the Restructuring and the Open Offer.

Restructuring terms

A. Debt for Equity Swap in relation to the 2023 Notes

In order to substantially reduce the aggregate amount of its outstanding indebtedness and decrease its future interest expense, the Company will seek to implement the Debt for Equity Swap of all of the Company's outstanding 2023 Notes for 92.5 per cent. of the Company's enlarged share capital following the issuance of the Exchange Shares (but for the avoidance of doubt before the issuance of the Open Offer Shares) by way of the Scheme. As of the date of this document, the Company has approximately US$557.0 million in aggregate principal amount of 2023 Notes outstanding.

In order to approve the Scheme with respect to the Debt for Equity Swap, a majority in number of 2023 Note Holders representing at least 75 per cent. in aggregate principal amount of the 2023 Notes held by those 2023 Note Holders voting in person, or by proxy at a meeting of 2023 Note Holders, has to vote in favour of the Scheme with respect to the Debt for Equity Swap and the Scheme then had to be sanctioned by the Court.

The Company commenced the Scheme process in February 2018 by circulating a practice statement letter to Note Holders notifying them of the proposed Scheme. At a Directions Hearing with respect to the Scheme which was held on 19 February 2018, the Court granted the Company permission to convene and hold the Scheme Meeting on 20 March 2018, at which the 2023 Note Holders voted in favour of the Scheme with respect to the Debt for Equity Swap. The final Court Hearing to approve the Scheme took place on 26 March 2018 at which the Scheme was sanctioned by the Court. The Company has also been granted[2] recognition of the Scheme under Chapter 15 of the U.S. Bankruptcy Code (the **''Chapter 15 Order''**). The Company will seek to ensure that the Scheme and the Debt for Equity Swap are implemented so as to comply with the exemption from registration provided by Section 3(a)(10) of the US Securities Act.

In order to obtain the necessary shareholder approval for the issuance of the Exchange Shares, the Company has distributed all required materials to its Shareholders for the General Meeting to be held on 25 April 2018. The issuance of Exchange Shares will require the following shareholder approvals:

(i) the approval of a simple majority of Independent Shareholders (being those Shareholders not participating in the Debt for Equity Swap) voting in person or by proxy on a poll of a waiver of the obligation to make a general offer pursuant to Rule 9 of the Takeover Code that would otherwise fall upon Solus, as a result of the issue and allotment of the Exchange Shares to the Solus Funds;

(ii) the approval of Shareholders voting in person or by proxy and holding a simple majority of the votes cast to the allotment of the Exchange Shares; and

(iii) the approval of Shareholders voting in person or by proxy and holding at least 75% of the votes cast to the disapplication of statutory pre-emption rights in relation to the issue of the Exchange Shares.

Completion of the Debt for Equity Swap pursuant to the Scheme will result in the capitalisation of approximately US$557.0 million in aggregate principal amount of 2023 Notes and approximately US$81.0 in interest expense savings per year.

If the Restructuring Effective Date has not occurred by the Longstop Date, the terms of the Scheme will lapse, unless such date has been extended by the Company and the Majority Scheme Creditors.

B. 2021 90% Proposed Amendments

In addition to the reduction in indebtedness and interest expense resulting from the Debt for Equity Swap, the Company has sought to further decrease its future interest expense, improve its debt

2 To be confirmed. Hearing due to take place on 4 April 2018.

maturity profile and liquidity and eliminate onerous financial covenants by amending certain terms of the 2021 Notes to:

- extend the final maturity date from 1 October 2021 to 1 October 2022;
- permit the issuance of additional indebtedness, which indebtedness shall be capped at US$30.0 million and rank junior to or *pari passu* with the 2021 Notes;
- eliminate the Maintenance of Minimum Consolidated LTM EBITDA covenant contained in the 2021 Notes Indenture, which would require testing on the last day of each fiscal quarter commencing 31 March 2018 and ending on 31 March 2020;
- change the interest rate payable for all remaining interest periods from 10 per cent. cash interest and 15 per cent. PIK interest to 9 per cent. cash interest and 9 per cent. PIK interest; provided that an interest rate of 12.5 per cent. will apply for interest that accrues and is unpaid from 1 October 2017 to the Restructuring Effective Date, and the Company may elect to pay such interest as cash interest or PIK interest;
- eliminate the margin increase payable if the relevant Minimum Consolidated LTM EBITDA (as defined in the 2021 Notes Indenture) threshold was not met; and
- permit interest payments on the 2021 Notes for all remaining interest periods commencing 1 October 2017 (but excluding the final interest payment) to be paid as PIK interest if the Company does not have sufficient cash to satisfy the applicable interest coupon,

(collectively, the **''2021 90% Proposed Amendments''**).

In order to implement the 2021 90% Proposed Amendments, the Company sought consent from holders of the 2021 Notes to the 2021 90% Proposed Amendments pursuant to the 2021 Consent Solicitations, which were launched on 25 January 2018. Approval of the 2021 90% Proposed Amendments required consent from holders representing at least 90 per cent. in aggregate principal amount of the 2021 Notes (the **''90% Requisite Consents''**). The 90% Requisite Consents were obtained on 8 February 2018 and a supplemental indenture to the 2021 Notes Indenture was executed on 8 February 2018 to effect the 2021 90% Proposed Amendments. The supplemental indenture to implement the 2021 90% Proposed Amendments will not become operative until the Restructuring Effective Date has occurred.

Adoption of the 2021 90% Proposed Amendments will result in interest expense savings of approximately US$11.0 million per year as a result of the elimination of the margin increase and assuming the Company pays interest at 9 per cent. per annum on the 2021 Notes for all remaining periods.

C. Majority Proposed Amendments and Proposed Waiver

Section 6.01(i) of the 2021 Notes Indenture and the 2023 Notes Indenture provides that it is an Event of Default if the Company or any restricted subsidiary, among other things, commences a voluntary case under any applicable bankruptcy law or any other case to be adjudicated bankrupt or insolvent. Section 6.01(j) of the 2021 Notes Indenture and the 2023 Notes Indenture provides that it is an Event of Default if a court of competent jurisdiction enters an order or decree under any bankruptcy law that, among other things, is for relief against the Company or any restricted subsidiary. Either Section 6.01(i) or 6.01(j) may arguably be triggered by the application for the Chapter 15 Order or other parts of the Restructuring. If the Chapter 15 Order or any other part of the Restructuring triggered an Event of Default under the 2021 Notes Indenture and the 2023 Notes Indenture, the 2021 Notes and the 2023 Notes would automatically accelerate pursuant to Section 6.02 of the 2021 Notes Indenture and the 2023 Notes Indenture.

In order to prevent an Event of Default and related acceleration of the 2021 Notes and the 2023 Notes from being triggered by the application for the Chapter 15 Order or any other part of the Restructuring, the Company has sought consent from the 2021 Note Holders and 2023 Note Holders to:

- remove from the definition of Events of Default any event that occurs in connection with the implementation of the Restructuring, including (without limitation) an application under Chapter 15 of the U.S. Bankruptcy Code for recognition of the Scheme, that would result in an Event of Default under Section 6.01(i) or 6.01(j) of the 2021 Notes Indenture and the 2023 Notes Indenture; and

- irrevocably waive any default or Event of Default pursuant to Section 6.01(i) and/or 6.01(j) of the 2021 Notes Indenture and the 2023 Notes Indenture and rescind any acceleration of the 2021 Notes and the 2023 Notes that may arise in connection with the implementation of the Restructuring,

  (the **''Majority Proposed Amendments and Proposed Waiver''**).

Such approval was obtained on 8 February 2018 and supplemental indentures to each of the 2021 Notes Indenture and the 2023 Notes Indenture were executed on 8 February 2018 to implement the Majority Proposed Amendments and Proposed Waiver, which immediately became effective and operative with respect to all Note Holders.

D. Jurisdiction Proposed Amendment

In addition, the Company sought consents from holders representing at least 75 per cent. (the **''75% Requisite Consents''**) in aggregate principal amount of its 2023 Notes to amend the submission to jurisdiction provision of the 2023 Notes Indenture to require that, from and after the date of effectiveness of the amendment, each party to the 2023 Notes Indenture irrevocably submit to the jurisdiction of the Court until the Restructuring Agreement is either terminated or is no longer in effect (the **''2023 Jurisdiction Proposed Amendments''**).

Such approval was obtained on 8 February 2018 and a supplemental indenture to the 2023 Notes Indenture was executed on 8 February 2018. The 2023 Jurisdiction Proposed Amendments became effective on 8 February 2018 and became operative on 16 February 2018 upon payment of the consent fee to 2023 Note Holders.

PART III

RISK FACTORS

THE RESTRUCTURING IS CONDITIONAL UPON, AMONG OTHER THINGS, THE APPROVAL OF THE WHITEWASH RESOLUTION BY THE INDEPENDENT SHAREHOLDERS, THE APPROVAL OF THE RESTRUCTURING RESOLUTIONS BY THE SHAREHOLDERS, THE RULE 9 WAIVER AND ADMISSION. IN THE EVENT THAT ANY CONDITION TO WHICH THE RESTRUCTURING IS SUBJECT IS NOT SATISFIED OR, IF CAPABLE OF WAIVER, WAIVED, ADMISSION OF THE EXCHANGE SHARES WILL NOT OCCUR AND THE RESTRUCTURING WILL NOT COMPLETE.

THE OPEN OFFER IS CONDITIONAL UPON THE COMPLETION OF THE RESTRUCTURING, APPROVAL OF THE OPEN OFFER RESOLUTIONS BY THE SHAREHOLDERS AND ADMISSION. IN THE EVENT THAT ANY CONDITION TO WHICH THE OPEN OFFER IS SUBJECT IS NOT SATISFIED OR, IF CAPABLE OF WAIVER, WAIVED, ADMISSION OF THE OPEN OFFER SHARES WILL NOT OCCUR AND THE OPEN OFFER WILL NOT COMPLETE.

IF THE RESTRUCTURING DOES NOT COMPLETE BY 30 APRIL 2018, THE COMPANY WILL DEFAULT ON ITS BOND INTEREST PAYABLE UNDER THE EXISTING BOND INDENTURES.

FURTHERMORE, IF THE RESTRUCTURING COMPLETES BUT THE COMPANY IS UNABLE TO RAISE ADDITIONAL FUNDS OF AT LEAST US$50 MILLION AND SECURE US$40 MILLION INFREQUENTLY RECURRING REVENUE IN PIPELINE BY 30 JUNE 2018 THEN BASED ON THE PROJECTED CASH FLOWS OF THE GROUP, THE COMPANY WILL, WITHIN THE 3 MONTHS FOLLOWING 30 JUNE 2018, BE HIGHLY LIKELY TO BE UNABLE TO PAY ITS CREDITORS, AS AND WHEN THEY FALL DUE FOR PAYMENT.

IN THE EVENT THAT THE COMPANY IS UNABLE TO MEET SUCH OBLIGATIONS AS A RESULT OF THE FAILURE OF THE RESTRUCTURING TO COMPLETE OR THE FAILURE TO RAISE SUFFICIENT ADDITIONAL FUNDS, THE DIRECTORS WOULD LIKELY SEEK TO PLACE THE COMPANY INTO SOME FORM OF INSOLVENCY PROCEEDING, OR A CREDITOR MAY TAKE ACTION TO ENFORCE OR INITIATE AN INSOLVENCY PROCEEDING. ANY SUCH PROCEEDING WOULD BE LIKELY TO RESULT IN LITTLE OR NO VALUE FOR SHAREHOLDERS.

UNDER SUCH CIRCUMSTANCES, THE COMPANY WILL NEED TO RAISE ADDITIONAL CAPITAL OR EXPLORE OTHER RESTRUCTURING OPTIONS, SUCH AS AN INSOLVENCY PROCEDURE UNDER ENGLISH LAW OR FILING FOR CHAPTER 11 PROTECTION UNDER THE U.S. BANKRUPTCY CODE. IN THE EVENT THAT THE COMPANY ELECTS TO PURSUE AN ALTERNATIVE RESTRUCTURING SOLUTION, THE LIQUIDITY, MARKET VALUE AND PRICE VOLATILITY OF THE ORDINARY SHARES COULD BE ADVERSELY AFFECTED WITH LITTLE OR NO VALUE REMAINING.

Any investment in the New Ordinary Shares is subject to a number of risks and uncertainties. Prior to investing in the New Ordinary Shares, prospective investors should carefully consider the factors, risks and uncertainties associated with any such investment, the Company's business and the industry in which it operates including, in particular, the risk factors set out below in addition to the other information contained in this document. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks and explanations listed do not purport to comprise all those risks and explanations associated with an investment in the Company, are not set out in any particular order of priority and should be used as guidance only. The order in which risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, the potential significance of the risks or of the scope of any potential harm to the Company's business, results of operations and financial conditions or prospects. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's performance may be materially and adversely affected by changes in the market and economic conditions and by changes in the laws and regulations (including tax law and regulations) relating to, or affecting, the Company or the interpretation of such

laws and regulations. If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In this event, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

The investment offered in this document may not be suitable for all of its recipients. Before making an investment decision, prospective investors should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances, the information in this document and the financial resources available to him/her.

RISKS RELATING TO THE RESTRUCTURING

Following the Restructuring and the Open Offer the Solus Funds will own a significant proportion of the Group's equity

Following the completion of the Restructuring and the Open Offer, the Solus Funds will hold a significant proportion of the Group's equity. The interests of the Solus Funds may therefore conflict with the interests of the other Shareholders and/or the interests of the Group. Therefore matters may not be resolved in a manner which other Shareholders consider to be in their best interests or in the interests of the Company or the Group. Some or all of the Solus Funds may be traditional debt holders and may not be accustomed to holding equity and as such may behave differently and their interests may not be aligned with the other Shareholders.

Shareholders face significant dilution of their shareholdings in connection with the Restructuring

The issue of the Exchange Shares will cause Shareholders to experience a dilution of their ownership interest and voting rights, and such dilution may be material. See paragraph 11 of Part I of this document for further details.

RISKS RELATING TO AN UNSUCCESSFUL COMPLETION OF THE RESTRUCTURING

There are risks associated with an unsuccessful completion of the Restructuring

There can be no assurance that the Restructuring will be completed. In the event that the Restructuring is not successfully completed, the Company will be highly leveraged with minimal or no EBITDA or free cash flows.

Under such circumstances, the Company will need to raise additional capital or explore other restructuring options, such as an insolvency procedure under English law or filing for Chapter 11 protection under the U.S. Bankruptcy Code, the consequences of which could include a reduction in the value of the Company's assets available to satisfy the 2021 Notes and the 2023 Notes and the imposition of costs and other additional risks to Note Holders. In the event that the Company elects to pursue an alternative restructuring solution, the liquidity, market value and price volatility of the Ordinary Shares could be adversely affected with little or no value remaining.

Even if the Restructuring is completed, the Company will need to raise at least US$50 million of Additional Funds and substantially achieve its cash flow forecasts in order to continue as a going concern. The Company's ability to continue as a going concern is dependent upon (1) the successful completion of the Restructuring, which will result in the capitalisation of approximately US$557.0 million of 2023 Notes and interest expense savings of approximately US$81.0 million per year and will permit the Company to pay PIK Interest on the 2021 Notes in accordance with the terms thereof, (2) the Company raising Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 (including the proceeds received from the Open Offer) and (3) the substantial achievement of the Company's cash flow forecasts, which significantly exceed cash flows from the prior fiscal year.

As at 31 December 2017, the Company had US$118.0 million of indebtedness maturing in 2020, US$323.3 million of indebtedness maturing in 2021 and US$557.0 million of indebtedness maturing in 2023. In addition, the Company has a final payment to Orbital ATK Inc. of US$40 million to be paid at the earlier of completion of in-orbit testing or three months after the launch of HYLAS 4.

If the Restructuring does not complete by 30 April 2018, the Company will default on its bond interest payable under the existing bond indentures.

Furthermore, if the Restructuring completes but the Company is unable to raise Additional Funds of at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline by 30 June 2018 then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders.

Even if the Restructuring is completed, the Company may not be able to raise new liquidity through the issuance of Ordinary Shares in the Company and/or additional indebtedness.

Although the Company currently intends to seek to raise at least US$50 million of Additional Funds (including the proceeds received from the Open Offer), there can be no assurance that any such Additional Funds will be successfully raised. The issuance of Ordinary Shares in the Company will require the approval of the Company's existing Shareholders. The incurrence of additional indebtedness may require the consent of lenders under the Super Senior Facility to certain amendments to the Super Senior Facility to permit such Indebtedness depending on the proposed terms of such Indebtedness. There can be no assurance that such approval or consent will be obtained. If the Company is unable to raise at least US$50 million and secure US$40 million infrequently recurring revenue in pipeline, then based on the projected cash flows of the Group, the Company will, within the 3 months following 30 June 2018, be highly likely to be unable to pay its creditors, as and when they fall due for payment.

In the event that the Company is unable to meet such obligations as a result of the failure of the Restructuring to complete or the failure to raise sufficient Additional Funds, the Directors would likely seek to place the Company into some form of insolvency proceeding, or a creditor may take action to enforce or initiate an insolvency proceeding. Any such proceeding would be likely to result in little or no value for Shareholders.

The Company's auditors have included an emphasis of matter in their audit opinion in relation to the Company's ability to continue as a going concern.

Although the Company's auditors prepared the Financial Statements for the fiscal year ended 30 June 2017 on a going concern basis, the auditors included an emphasis of matter in their audit opinion in relation to the Company's ability to continue as a going concern. In particular, the auditors noted that the Company's ability to continue as a going concern is dependent on the successful completion of the Restructuring (which is conditional upon the successful completion of the Debt for Equity Swap through the Scheme), the negotiation of an additional fund raise of at least US$30.0 million following the completion of the Restructuring (including the proceeds received from the Open Offer) and the substantial achievement of cash flow forecasts. These events and conditions, along with the other matters explained in Note 2 to the Financial Statements for the fiscal year ended 30 June 2017 constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

RISKS RELATING TO THE COMPANY'S BUSINESS AND INDEBTEDNESS

The Company has a history of net losses and negative cash flow, and it may not be profitable or have positive cash flow in the future.

The Company has incurred net losses since inception. For the fiscal years ended 30 June 2015, 2016 and 2017, it incurred consolidated net losses of US$73.3 million, US$69.2 million and US$65.7 million, respectively, and it had negative cash flow in each of those periods. The Company may continue to experience operating losses and negative cash flow in the future and may not become profitable or have positive cash flow if it is unable to generate sufficient revenues to offset its operational costs.

Attaining profitability and positive cash flow will depend on the Company's ability to sell capacity on its satellites and thereby increase revenues and manage costs. Future periods of net losses from operations could result in continued negative cash flow and may hamper on-going operations and prevent the Company from sustaining or expanding its business. If the Company does not achieve or sustain profitability, its business and ability to repay its indebtedness will be adversely affected.

The Company's business is dependent on HYLAS 4. Any delay in the commencement of operations of HYLAS 4 or the failure to achieve its designated orbital location after launch would significantly impact the Company's operations and its ability to operate as a going concern.

The Company's business is dependent on the successful commercial operation of HYLAS 4. HYLAS 4 launched on 5 April 2018. However, satellites require a period of in-orbit testing prior to becoming commercially operational. As such, the Company does not expect HYLAS 4 to generate revenue until July 2018 at the earliest. Any further delay in the commencement of operations of HYLAS 4 or the failure to achieve its designated orbital location after launch would have a material adverse effect on the Company's results of operations and its ability to operate as a going concern.

Any further delay in the commencement of operation of HYLAS 4 or failure to achieve its designated orbital location after launch would significantly impact the Company's results of operations and its ability to operate as a going concern.

Furthermore, satellites are subject to certain risks related to failed launches. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take 24 months or longer, and to obtain other launch opportunities. A significant delay in the launch of future satellites could give customers who have purchased or reserved capacity on that payload the right to terminate their service contracts relating to that satellite. The Company may not be able to accommodate affected customers on other satellites until a replacement satellite is available. A customer's termination of its service contracts with the Company as a result of a launch failure would reduce the customer's backlog. Delay caused by launch failures may also preclude the Company from pursuing new business opportunities and undermine its ability to implement its business strategy.

Launch vehicles may also under-perform, in which case the satellite may still be placed into service by using its onboard electrical propulsion systems to reach the desired orbital location, resulting in a delay in the commencement of operations and a commensurate reduction in its service life.

The Company's substantial leverage and debt service obligations could materially adversely affect its business and preclude it from satisfying its obligations under the instruments governing its indebtedness.

The Company is highly leveraged and has significant debt service obligations. As of 30 June 2017, the Company had total indebtedness with a face value of US$826.5 million outstanding. As of 30 June 2017, on a *pro forma* basis to give effect to the Restructuring, the Company would have had total indebtedness with a face value of US$414.3 million outstanding. Although the 2023 Notes will no longer be outstanding upon the successful completion of the Restructuring, the Company will have the ability to pay PIK interest in respect of the 2021 Notes for all remaining interest periods in accordance with the terms of the 2021 Notes and, therefore, the Company's indebtedness may be further increased in the future.

The Company's high leverage could have important consequences to you, including, but not limited to:

- increasing the Company's vulnerability to, and reducing its flexibility to respond to, a downturn in its business or general adverse economic and industry conditions;
- limiting the Company's ability to obtain additional financing to fund future operations, capital expenditures, business opportunities, acquisitions and other general corporate purposes and increasing the cost of any future borrowings;
- limiting the Company's flexibility in planning for, or reacting to, changes in its business, the competitive environment and the industries in which it operates; and
- placing the Company at a competitive disadvantage compared to its competitors that are not as highly leveraged.

Any of these or other consequences or events could have a material adverse effect on the Company's ability to satisfy its debt obligations.

Assuming the successful completion of the Restructuring, the Company may still not have enough financial resources to pay any of its indebtedness in full at maturity.

Assuming the successful completion of the Restructuring, the Company will have US$323.3 million in aggregate principal amount of Notes maturing in 2022, which amount would increase upon each

payment of PIK interest as permitted by the Indenture, and US$118.0 million in aggregate principal amount of Super Senior Debt maturing in 2020. The cash requirement to repay the 2021 Notes and the Super Senior Debt at maturity significantly exceeds the Company's currently available cash and cash equivalents, which were US$68.0 million as of 31 December 2017. The Company's ability to generate sufficient cash from operations in the future to repay its indebtedness in full is dependent on the successful generation of revenue by its HYLAS 4 satellite. However, the Company does not expect HYLAS 4 to generate revenue until July 2018 at the earliest (see ''Our business is dependent on HYLAS 4. Any delay in the commencement of operations of HYLAS 4 or the failure to achieve its designated orbital location after launch would significantly impact the Company's results of operations and its ability to operate as a going concern''). If the Company is unable to generate sufficient cash from operations to repay its indebtedness at maturity, it may seek to refinance some or all of its debt or obtain other financing to pay the principal amount due at maturity. However, the global financial markets may be uncertain, and there may be limited access to such financing in the future, which could adversely affect the Company's ability to raise sufficient funds to repay its debt.

HYLAS 3 has experienced, and may continue to experience, significant delays.

HYLAS 3, a payload on the ESA's EDRS-C satellite, has experienced significant delays and the ESA has now advised Avanti not to expect a launch until the first half of 2019. The Company is currently exploring the best options for the exploitation of HYLAS 3. Any further delay in the delivery of HYLAS 3 or the failure of the ESA's EDRS-C satellite to launch or achieve its designated orbital location after launch would have a material adverse impact on the Company's results of operations.

The Company has unused satellite capacity, and its results of operations may be materially adversely affected if it is not able to sell its capacity at profitable prices.

A key assumption of the Company's plan to increase its revenue is that its satellites will reach any level of utilisation. Fleet utilisation helps to track capacity uptake and gives an indication of revenue potential when the Company's fleet is mature. It is calculated by expressing utilised capacity as a percentage of total available capacity for the fleet of HYLAS 1 (3 GHz), HYLAS 2 (11 GHz) and HYLAS 2B (3GHz). ARTEMIS (1 GHz) has now been re-orbited. In the fiscal year ended 30 June 2017, HYLAS 2-B came online in the period with coverage over France, Germany, Poland and the Baltic Sea. The addition of this new capacity increases the current available capacity from 14GHz to 17GHz, meaning that the utilisation metric was re-based. Consequently, the amended fleet utilisation was in the 30%-35% band in the fiscal year ended 30 June 2017.

There can be no assurance that the Company will sell the remaining unused capacity on its satellites within prescribed timeframes or at all. A delay or inability to obtain customers for this capacity, or an inability to sell some or all of its remaining capacity at profitable prices, would have a negative impact on the Company's revenue generation and cash flow and would adversely affect its operating and financial performance.

The Company is subject to competition from the fixed satellite services sector and from other providers of communications capacity.

Competition from other telecommunications providers could have a material adverse effect on the Company's business and could prevent it from implementing its business strategy and expanding its operations as planned.

The Company faces competition in the regions in which it operates from other satellite operators and suppliers of ground-based communications capacity. The increasing availability of satellite capacity and capacity from other forms of communications technology has historically created an excess supply of telecommunications capacity in certain regions from time to time, in part due to the extended time period typically required for a newly launched satellite to achieve full utilisation. If existing fixed satellite services operators or new market entrants begin to offer Ka-band services, the increased competition could result in lower prices, which in turn could reduce the Company's operating margins and the cash available to fund its operations and service its debt obligations.

Some of the Company's competitors have larger satellite fleets and greater financial resources. If the Company's competitors launch new satellites with Ka-band coverage over the regions that it serves, the Company may experience significant pricing pressure. This in turn could adversely affect its revenue and profitability and further impact its ability to service its debt obligations.

Additionally, any significant improvement or increase in the amount of land-based telecommunications capacity, particularly with respect to the existing fibre optic cable infrastructure and point-to-point applications, may cause the Company's customers to shift their transmissions to land-based capacity or make it more difficult for it to obtain new customers. If fibre optic cable networks or other ground-based high-capacity transmission systems are available to service a particular point, that capacity, when available, is generally less expensive than satellite capacity. As land-based telecommunications services expand, demand for some satellite-based services may be reduced.

Failure to compete effectively with other satellite operators and to adapt to new competition and new technologies, or failure to implement the Company's business strategy while maintaining its existing business, could adversely affect its financial condition and results of operations.

The market for data communications services may not grow or may shrink. The Company therefore may not be able to attract new customers, retain its existing customers or implement its business growth strategies.

The future market for data communication services may not grow or may shrink. Competing technologies, such as fibre optic cable, are continuing to adversely affect the satellite-based point-to-point segment of the data communications services sector in developed markets. In the point-to-multipoint segment, continuing improvements in compression technology have negatively impacted demand for certain satellite-based communication services. Developments that the Company expects to support the growth of the data communications sector, such as continued growth in data traffic, may fail to materialise or may not occur in the manner or to the extent the Company anticipates. Any of these industry dynamics could negatively affect its business. As a result, the Company may not be able to attract customers for the satellite bandwidth and broadband services that it is providing as part of its strategy to sustain its business. Reduced growth in the data communications services sector may also materially adversely affect the Company's ability to retain its existing customers. A shrinking market could reduce the number and value of the Company's customer contracts and would have a material adverse effect on its business and results of operations.

Customers may seek to renegotiate or terminate their contracts if the Company does not meet its contractual obligations.

Some of the Company's contracts with customers permit them to terminate or renegotiate their contracts and/or require the Company to pay service outage credits or damages if it fails to comply with its contractual obligation to provide service. Additionally, some of these contracts contain force majeure provisions that provide that neither the Company nor the customer will be considered to be in breach of the agreement during certain events, including the event of acts of God, political hostilities and other factors beyond their control. If one or more customers were to cancel their contracts or fail to perform under their contracts, the Company may be unable to secure replacement contracts on substantially similar terms or at all, and its revenue and profitability could be materially adversely affected.

A large portion of the Company's revenue is generated by its top ten customers, and the loss of, or a significant reduction in, purchases by its largest customers could adversely affect its operations.

A large portion of the Company's revenue and backlog is generated by its top ten customers. The loss of any of its major customers, failure of any major customer to renew its contract upon expiration or any serious financial difficulty of a major customer that results in an inability to pay for its services could have a material adverse effect on the Company's business.

The Company's business operations are dependent on a small number of satellites, and the loss of or damage to any single satellite could have a material adverse effect on its business.

The Company currently has two operating satellites. As such, its business is dependent upon the performance of a limited number of assets and its risk of loss is concentrated. If any one of its operating satellites were damaged or subject to operational failure, the Company could lose a significant percentage of its revenue that it may not be able to offset, which would negatively impact its business.

The Company is subject to political, economic and other risks due to the international nature of its operations, especially in African and Middle Eastern countries.

The Company's strategy focuses strongly on its growth in African and Middle Eastern countries. Accordingly, it may be subject to greater risks than other companies as a result of the international nature of its business operations. The Company could be harmed financially and operationally by tariffs, taxes and other trade barriers that may be imposed on its services, or by political and economic instability in the countries in which it provides services. If the Company ever needs to pursue legal remedies against its customers or business partners located outside of the United Kingdom, it may be difficult for it to enforce its rights against them depending on their location.

The Company operates in the Middle East and Africa, many parts of which have suffered from regional political instability, armed conflict and general social and civil unrest in recent years. Unrest in those countries may have implications for the wider global economy and may also negatively affect market sentiment towards other countries in the region, including the countries in which the Company operates. Some of these countries are also in the process of transitioning to a market economy and, as a result, are experiencing changes in their economies and their government policies that may affect the Company's investments in these countries. Governments in these jurisdictions and countries, as well as in more developed jurisdictions and countries, may be influenced by political or commercial considerations outside of the Company's control, and may act arbitrarily, selectively or unlawfully, including in a manner that benefits its competitors.

The Company is subject to counterparty credit and performance risk.

The Company operates in a number of emerging markets, where counterparty credit risk may be higher relative to developed markets. Additionally, its customer base includes a number of non-investment grade companies and small, specialised and/or new companies whose credit risk profile relative to larger or more established organisations may be higher. If a customer is not able to honour its payment or performance obligations, the Company may be able to terminate its agreement with that customer and collect damages, but it may not be fully compensated for its services to that customer and may not be able to offset its losses by re-allocating the customer's contracted capacity.

The Company may be unable to obtain and maintain insurance for its satellites, and the insurance it obtains may not cover all losses it experiences. Even if its insurance were sufficient, delays in launching a replacement satellite could materially adversely affect the Company's revenues, profitability and cash flow.

The Company has in-orbit insurance coverage for its fleet of satellites, which provides coverage for physical damage to or loss of the particular satellite based on its current book value, and is subject to annual renewals.

The price, terms and availability of insurance have fluctuated since the Company began offering commercial satellite services. The cost of obtaining insurance can vary as a result of either satellite or launch failures, capacity in insurance in the market or general conditions in the insurance industry. Insurance policies to cover the Company's current and future satellites may not continue to be available on commercially reasonable terms, or at all, particularly in light of its current financial condition. In addition to higher premiums, insurance policies may provide for higher deductibles, shorter coverage periods and additional satellite health-related policy exclusions. An uninsured failure of one or more of the Company's primary satellites could have a material adverse effect on the Company's financial condition, revenue, profitability and liquidity. In addition, higher premiums on insurance policies would increase its costs, thereby reducing its operating income.

Even where the Company has obtained in-orbit insurance for a satellite, this insurance coverage will not protect it against all losses that might arise as a result of a satellite failure. The Company's current in-orbit insurance policies contain, and any future policies can be expected to contain, specified exclusions and material change limitations customary in the industry at the time the policy is written. These exclusions typically relate to losses resulting from acts of war, insurrection or military action, government confiscation, as well as lasers, directed energy beams, nuclear or anti-satellite devices or radioactive contamination.

In addition, should the Company wish to launch another satellite to replace a failed operational satellite, the timing of such launch would be dependent on the completion of manufacture of such a replacement satellite and prior commitments made by potential suppliers of launch services to

other satellite operators. The insurance does not protect the Company against lost or delayed revenue, business interruption or lost business opportunities.

The Company also maintains third-party liability insurance. This insurance may not be adequate or available to cover all third-party damages that may be caused by any of the Company's satellites, and it may not in the future be able to renew its third-party liability cover on reasonable terms and conditions, if at all.

Future success depends on the Company's ability to maintain a strong management team and retain skilled employees.

The Company is dependent on the services of its senior management team, technical and commercial experts and specialists to remain competitive in the satellite service industry. In recent months, it has seen a higher than usual number of employees choose to leave the Company and some positions remain unfilled as it undergoes a financial restructuring. Any losses of key members of the Company's management team would have an adverse effect until qualified replacements are found. The Company may not be able to replace such individuals with persons of equal experience and capabilities quickly or at all. In the satellite industry, commercial, financial, regulatory, legal and technical expertise depends, to a significant extent, on the work of highly qualified employees. The market for experienced satellite services company managers is competitive. Demand for executive, managerial and skilled personnel in the Company's industry is intense and properly qualified human resources are scarce.

Technological competence and innovation are critical to the Company's business and depend, to a significant degree, on the work of technically skilled employees. The market for the services of these types of employees is competitive. The Company may not be able to attract and retain these employees. If it is unable to attract and retain adequate technically skilled employees, including those supporting the development and provision of its higher bandwidth services, the Company's business could be materially adversely affected.

Dependence on outside contractors could result in increased costs and delays related to the launch of new satellites, which would in turn adversely affect the Company's business.

There is a limited number of companies that the Company is able to use to launch its satellites and a limited number of commercial satellite launch opportunities available in any given time period. Adverse events with respect to its launch service providers, such as satellite launch failures or financial difficulties (which some of these providers have previously experienced), could result in increased costs or delays in the launch of the Company's satellites. General economic conditions may also affect the ability of launch providers to provide launch services on commercially reasonable terms or to fulfil their obligations in terms of launch dates, pricing, or both. Moreover, the limited number of launch service operators reduces the Company's flexibility and options in terms of transferring planned launches from one operator to another. In the event that its launch service providers are unable to fulfil their obligations, the Company may have difficulty procuring alternative services in a timely manner and may incur significant additional expenses as a result. Any such increased costs and delays could have a material adverse effect on the Company's business.

The Company relies on third parties to manufacture and supply terminals for end-users to access its services and, as a result, it cannot control the availability of such terminals.

Terminals used to access the Company's services are built by a limited number of independent manufacturers. Although the Company provides manufacturers with key performance specifications for the terminals, these manufacturers could:

- reduce production of, or cease to manufacture, certain of the terminals that access its services;
- manufacture defective terminals that fail to perform to its specifications;
- fail to build or upgrade terminals that meet end-users' requirements within its target sectors;
- fail to meet delivery schedules or to market or distribute terminals effectively; or
- sell some of its terminals at prices that end-users or potential end-users do not consider attractive.

If any of these third parties decides to cease manufacturing terminals to access its services, the Company may not be able to immediately find a replacement supplier on favourable terms. Also, if

any of its suppliers have difficulty manufacturing or obtaining the necessary parts or material to manufacture its products, the Company's business may be adversely affected.

Any of the foregoing could materially adversely affect the ability of the Company's distribution partners to sell its services, which, in turn, could adversely affect its business.

The Company is subject to foreign exchange risk.

The Company uses the U.S. dollar as its functional and reporting currency, while a substantial portion of its overhead is non-dollar denominated. Although the Company generally hedges its foreign currency exposure through natural hedges and forward contracts, there is no assurance that it will be able to adequately manage its foreign currency exposure in the longer term or that its results of operations would not be affected by fluctuations of the pound sterling and the euro against the U.S. dollar.

Reductions or changes in security and defence end markets could reduce the Company's revenue and adversely affect its business.

Security and defence are two key markets within the Company's government end market. Spending on security and defence-related programs by governments has fluctuated in the past, and future levels of expenditures and authorisations for these programs may decrease or shift to programs in areas where the Company does not currently provide services. To the extent governments and their agencies reduce spending on commercial satellite services, this could adversely affect the Company's business.

Satellites are subject to significant operational risks while in orbit that, if any such risks were to occur, it could adversely affect the Company's revenues, profitability and liquidity.

Satellites are subject to significant operational risks while in orbit. These risks include malfunctions, commonly referred to as ''anomalies,'' as a result of various factors, such as satellite manufacturers' errors, problems with the power or control systems of the satellites and general failures resulting from operating satellites in the harsh environment of space.

Any single anomaly or series of anomalies could materially adversely affect the Company's operations, as well as the ability to attract new customers for its services. Anomalies could also reduce the expected useful life of a satellite, thereby reducing the revenue that the Company could generate with that satellite, or create additional expenses due to the need to provide replacement or back-up satellites. The occurrence of future anomalies could materially adversely affect the Company's ability to insure its satellites at commercially reasonable premiums, if at all.

Meteoroid events pose a potential threat to all in-orbit satellites. The probability that a meteoroid will damage a satellite increases significantly when the earth passes through the particulate stream left behind by comets. Increased solar activity could pose a threat to in-orbit satellites. While the Company has designed its satellites to withstand such solar events, there can be no assurance that high levels of solar activity will not degrade satellite performance in the future.

The loss, damage or destruction of any of the Company's satellites as a result of collision with meteorites, space debris, solar activity, malfunction or other events could have a material adverse effect on its business.

The Company may experience a failure of ground operations infrastructure that impairs the commercial performance of its satellites or the services delivered over its satellites, which could lead to lost revenues.

The Company may experience a failure in necessary equipment in its gateway earth stations or in the communication links between these facilities and remote teleport facilities. It may also experience operational errors. Additionally, the Company may experience a failure in necessary equipment in one of its gateway earth stations or in a third-party teleport. A failure of necessary ground-based communications equipment could lead to a loss of revenues from customers who were not provided with the proper transmission services, which could materially adversely affect the Company's revenues.

A failure or error affecting its tracking, telemetry, control and monitoring operations might cause the Company to be unable to communicate with one or more of its satellites or cause it to transmit an incorrect instruction to the affected satellite(s). This could lead to a temporary or permanent degradation in satellite performance or to the loss of one or more of the Company's satellites. Depending on the nature and extent of the problem, it could cause the Company's revenues and

backlog to decline and could materially adversely affect its ability to market its capacity and generate future revenues, profitability, financing needs and ability to use available funds for other purposes.

A natural disaster could diminish the Company's ability to provide communications service.

Natural disasters could damage or destroy the Company's gateway earth stations, resulting in a disruption of service to its customers. The Company has technology to safeguard its antennas and protect its gateway earth stations during natural disasters such as hurricanes, but the collateral effects of disasters such as flooding may impair the functioning of its ground equipment. If a future natural disaster impairs or destroys any of its ground facilities, the Company may be unable to provide service to its customers in the affected area for a period of time.

The Company's networks and those of its partners may be vulnerable to security risks.

The Company expects the secure transmission of confidential information over its networks to continue to be a critical element of its operations. The Company's network and those of its partners and clients have in the past been, and may in the future be, vulnerable to unauthorised access, computer viruses and other security problems. Persons who circumvent the Company's security measures could wrongfully obtain or use information on its network or cause interruptions, delays or malfunctions in its operations, any of which could have a material adverse effect on its revenues, profitability and liquidity. The Company may be required to expend significant resources to protect against the threat of security breaches or to alleviate problems, including reputational harm and litigation, caused by any such breaches. Although the Company has implemented and intends to continue to implement industry-standard security measures, these measures may prove to be inadequate and may result in system failures and delays that could have a material adverse effect on its business.

Satellites have limited useful lives, and their actual useful life may be shorter than anticipated.

A number of factors affect the useful lives of satellites, including, among other things, the quality of their construction, the durability of their component parts, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used and the remaining on-board fuel (also referred to as propellant) following orbit insertion. However, satellites are vulnerable to premature failure, and the actual useful lives of satellites can vary from their design lives. Changes in useful lives can have a significant effect on the Company's depreciation charge and affect profitability, and the Company regularly reassesses the useful economic lives of its satellites for financial reporting purposes. There can be no assurance that in the future the Company will not be required to shorten the useful economic lives of its current or future satellites, which could materially adversely affect its business.

The Company faces regulation with respect to the transmission of its satellite signals and the provision of its communications services in some countries, which could require it to incur additional costs, expose it to fines and limit its ability to provide existing and new services.

The maintenance and expansion of the Company's business is dependent upon, among other things, its ability to obtain and maintain required government licenses and authorisations in a timely manner, at reasonable costs and on satisfactory terms and conditions.

Laws, policies and regulations affecting the satellite and communications industries are subject to change in response to industry developments, new technology or political considerations. Legislators or regulatory authorities in various countries are considering, and may in the future adopt, new laws, policies and regulations or changes to existing regulations regarding a variety of matters that could, directly or indirectly, affect the Company's operations or increase the cost of providing its data communications services. Changes to current laws, policies or regulations or the adoption of new regulations could affect the Company's ability to obtain or retain required government licenses and authorisations or could otherwise have a material adverse effect on its business.

The Company may not be successful in obtaining and maintaining spectrum and orbital resources for its satellites in the future.

The ITU regulates the use of radio frequency bands and orbital locations used by satellite networks to provide communications services. The use of spectrum and orbital resources by the Company

and other satellite networks must be coordinated pursuant to the ITU Radio Regulations in order to avoid causing harmful interference between or among the respective satellite networks.

The ITU frequency coordination process has been satisfactorily concluded for: (i) HYLAS 1 in the 27.5-30.0/18.1-20.2 GHz bands; (ii) HYLAS 2 in the 27.5-30.0/17.7-20.2 GHz bands; (iii) HYLAS 3 in the 27.5-30.0/17.7-20.2 GHz bands and (iv) HYLAS 4 in the 27.5-30.0/17.7-20.2 GHz bands. The satellite network filings associated with these operations also have been recorded in the ITU Master International Frequency Register in those Ka-band frequency segments. As such, operations consistent with these Ka-band satellite network filings have appropriate legal protection in a manner prescribed in the ITU Radio Regulations from harmful interference caused by other satellite networks with lower date priority that engage in non-conforming spectrum usage. However, if the Company seeks to launch a new satellite in orbital locations for which it does not have ITU satellite network filings, or seeks to operate those satellites in spectrum with respect to which it does not enjoy date priority, particularly as competition for orbital locations in the Ka-band increases, it may not be successful in coordinating access to an optimum orbital location or may experience delays in obtaining the required agreements.

In addition, it is possible that another operator could establish priority over the Company with respect to the use of Ka-band spectrum other than that which has been notified and coordinated as described above. Since the Company does not enjoy interference protection under the ITU Radio Regulations in that other spectrum, it could be required to coordinate with that operator and potentially limit its operations in that spectrum. The use of the Company's satellites also could be adversely affected if other satellite networks do not conform to the requirements of the ITU's Radio Regulations, resulting in acceptable interference levels being exceeded.

If the Company does not occupy unused orbital locations by specified deadlines, or does not maintain satellites in orbital locations it currently uses, those orbital locations may become available for other satellite operators to use.

If the Company is unable to maintain satellites at the orbital locations that it currently uses, it may lose its rights to use these orbital locations, and the locations could become available for other satellite operators to use. If a satellite is lost or is decommissioned at the end of its useful life, the Company would be required to replace that satellite within a three year period in order to maintain its rights to the satellite's orbital location and associated ITU satellite network spectrum rights. The loss of one or more of its orbital locations could negatively affect the Company's plans and its ability to implement its business strategy.

RISKS RELATING TO THE OPEN OFFER AND THE ORDINARY SHARES

Future sales of Ordinary Shares could adversely affect the market price of the Ordinary Shares

Sales of additional Ordinary Shares into the public market following the Open Offer could adversely affect the market price of the Ordinary Shares if there is insufficient demand for the Ordinary Shares at the prevailing market price.

If the Open Offer Resolutions are not passed, the Company will not be able to proceed with the Open Offer

The Open Offer Resolutions to be proposed at the General Meeting will be proposed as an ordinary resolution and a special resolution and, to be passed, will require the support of, in the case of the ordinary resolution, a simple majority of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting and in relation to the special resolution, three-quarters of the total voting rights of Shareholders who (being entitled to do so) vote on such resolution at the General Meeting. The Open Offer is conditional, *inter alia*, on the passing of the Open Offer Resolutions.

In the event that the Open Offer Resolutions are not passed, the Company will not be able to proceed with the Open Offer, with the result that the anticipated net proceeds of the Open Offer will not become available to fund proposed upcoming expenditure and achieve the objectives currently pursued by the Board. The Group's business plan and growth prospects may be adversely affected as a result.

Holders of Existing Ordinary Shares who do not acquire Open Offer Shares pursuant to the Open Offer will experience a further dilution of their percentage ownership of the Company's Ordinary Shares

Shareholders' proportionate ownership and voting interest in the Company will be reduced pursuant to the Restructuring. Shareholders' proportionate ownership and voting interest in the Company will be further reduced pursuant to Open Offer to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

There is no public market for the Ordinary Shares outside the United Kingdom

The New Ordinary Shares will not be registered under the relevant laws of any Restricted Jurisdictions and New Ordinary Shares may not be resold, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from the applicable security laws. The Company has no intention to file any such registration statement or list the New Ordinary Shares on any securities exchange or interdealer quotation system (other than AIM). As a consequence, an active trading market is not expected to develop for the New Ordinary Shares outside the United Kingdom and investors outside the United Kingdom may not be able to sell the New Ordinary Shares or achieve an acceptable price. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

Pre-emption rights may not be available to Overseas Shareholders of Ordinary Shares

In the case of certain increases in the Company's issued share capital, holders of Ordinary Shares have the benefit of statutory pre-emption rights to subscribe for such shares, unless Shareholders waive such rights by a resolution passed at a Shareholders' meeting, or in certain other circumstances. Overseas holders of shares are very likely to be excluded from exercising any such pre-emption rights they may have, unless an exemption is available. The Company cannot assure prospective investors that any exemption from those registration requirements would be available to enable overseas shareholders to exercise such pre-emption rights or, if available, that the Company will utilise any such exemption.

Access to further capital

The Company may require additional funds to respond to enable future acquisitions, expansion activity and/or business development, and/or respond to business challenges, enhance existing products and services or further develop its sales and marketing channels and capabilities. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Solus and the Solus Funds will exert significant control over the Company following Admission

Assuming the Restructuring and the Open Offer are completed, at Admission the Solus Funds will hold in aggregate up to a maximum of 42.0 per cent. of the Enlarged Share Capital (assuming that the Solus Funds subscribe for their full Open Offer Entitlement and that no other Shareholders subscribe for Open Offer Shares). Unless the Solus Funds sell some of their holdings in the Company or are otherwise diluted, the Solus Funds together will continue to be substantial shareholders in the Company. Whilst the Solus Funds' shareholding is above 25 per cent they will have the ability to block special resolutions proposed at the Company's annual general meeting or an extraordinary general meeting of the shareholders of the Company. In order to voluntarily terminate trading on AIM, Shareholders would need to pass a special resolution, whilst the Solus

Funds could block such a resolution, they do not have the unilateral power to cause trading on AIM to be terminated.

The interests of Solus and the Solus Funds may not, in all cases, be aligned with the interests of other Shareholders and/or the Group. If the Group encounters financial difficulties, or is unable to pay its debts as they mature, the interests of Solus and the Solus Funds may conflict with those of the other shareholders of Ordinary Shares. There can be no assurance that the resolution of any matter that may involve the interest of Solus and the Solus Funds will be resolved in a manner which other shareholders of Ordinary Shares would consider to be in their best interests.

Future financings to provide required capital may dilute shareholders' ownership of the Company

If available, any future financings to provide required capital may dilute shareholders' proportionate ownership in the Company. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Shareholders may be exposed to fluctuations in currency exchange rates

The Existing Ordinary Shares and the New Ordinary Shares are priced in pounds sterling, and will be quoted and traded in pounds sterling. Accordingly, Shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against pounds sterling, which may reduce the value of the Ordinary Shares. This is particularly relevant given the uncertainty around the UK's exit from the European Union.

The ability of Overseas Shareholders to bring actions or enforce judgements against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England. The rights of holders of Ordinary Shares are governed by UK law and by the Articles. These rights differ from the rights of shareholders in typical US corporations, and other overseas corporations. An Overseas Shareholder may not be able to enforce a judgement against the Company, the Group or some or all of the Directors and executive officers. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Company or the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Company or the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Company or the Directors and executive officers' judgements of courts of securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgements in civil and commercial matters or any judgements under the securities laws of countries other than the UK against the Company or the Directors or executive officers who are residents of the UK or countries other than those in which judgement is made. In addition, English or other courts may not impose civil liability on the Company or the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

The Open Offer Shares may not be suitable as an investment

The Open Offer Shares may not be a suitable investment for all the recipients of this document. Before making a final decision, investors are advised to consult an independent investment adviser authorised under the FSMA who specialises in advising on the acquisition of shares and other securities. The value of the New Ordinary Shares and any income received from them can go down as well as up and investors may get back less than their original investment.

The Company's securities are traded on AIM rather than the Official List

The Existing Ordinary Shares are, and the New Ordinary Shares will be, traded on AIM rather than the Official List. An investment in shares traded on AIM may carry a higher risk than those listed on the Official List. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Group, divergence in financial results from analysts' expectations, changes in estimates by stock market analysts, general economic conditions, overall market or sector sentiment, legislative changes in the Group's sector and other events and factors outside of the Group's control. Stock markets have from time to time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. Prospective investors should be aware that the value of the Ordinary Shares may be volatile and could go down as well as up, and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity. Admission to AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares.

The Company's share price fluctuates

The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the Ordinary Shares (or securities similar to them). Such risks depend on the market's perception of the likelihood of success of the Fundraising, and/or may occur in response to various facts and events, including any variations in the Group's operating results, business developments of the Group and/or its competitors. Stock markets have, from time to time, experienced significant price and volume fluctuations that have affected the market prices for securities and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Ordinary Shares and investors may, therefore, not recover their original investment.

Any sale of Ordinary Shares could have an adverse effect on the market price of the Ordinary Shares. Furthermore, it is possible that the Company may decide to offer additional shares in the future. An additional offering could also have an adverse effect on the market price of the Ordinary Shares.

The Company does not plan on making dividend payments in the foreseeable future

There can be no assurance as to any dividends, nor the level of any future dividends. The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and will depend on, among other things, the Company's results of operations and financial condition, its future business prospects, any applicable legal or contractual restrictions and availability of profits. At present, there is no intention to pay a dividend.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV: "*Questions and Answers about the Open Offer*" are intended to be in general terms only and, as such, you should read Part V: "*Terms and Conditions of the Open Offer*" of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the FSMA if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser. **For certainty, the Open Offer is not being extended into the United States or in any other Restricted Jurisdiction where such offer is not permitted pursuant to applicable securities laws.**

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part V: "*Terms and Conditions of the Open Offer*" of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your entitlement to Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part V: "*Terms and Conditions of the Open Offer*" of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please call Neville Registrars on +44 (0)121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings.

In this instance, Shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The Issue Price is the same as the closing middle market price of 11.225 pence per Existing Ordinary Share on 5 April 2018, being the last practicable date before the announcement of the Open Offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 38,603,797 Open Offer Shares at a price of 11.225 pence per share. If you hold Existing Ordinary Shares on the Open Offer Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States or any other Restricted Jurisdiction, you will be entitled to subscribe for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 5 Open Offer Shares for every 21 Existing Ordinary Shares held by Qualifying Shareholders on the Open Offer Record Date.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back, at the Company's absolute discretion, *pro rata* to the number of shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Shares. Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded.

2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?

If you receive an Application Form and, subject to certain exceptions, are neither a holder with a registered address nor located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares on or after 8.00 a.m. on 9 April 2018 (the time when the Existing Ordinary Shares are expected to be marked ''ex-entitlement'' by the London Stock Exchange).

3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent a personalised Application Form that shows:

- how many Existing Ordinary Shares you held at the close of business on the Open Offer Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the other Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement or any Excess Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be posted, along with a cheque or banker's draft drawn in the appropriate form, in the accompanying pre-paid envelope or returned by post or by hand (during normal office hours only), to the Receiving Agent, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom (who will act as receiving agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 10.00 a.m. on 26 April 2018, after which time Application Forms will not be valid.

4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?

(a) If you do not want to take up your Open Offer Entitlement

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 10.00 a.m. on 26 April 2018, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then, following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted.

(b) If you want to take up some but not all of your Open Offer Entitlement

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2 and 4 of your Application Form; for example, if you are entitled to take up 600 shares but you only want to take up 300 shares, then you should write '300' in Box 2 and 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '300') by £0.11225, which is the price in pounds of each Open Offer Share (giving you an amount of £33.68 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the

accompanying pre-paid envelope (for use only by Shareholders with registered addresses in the United Kingdom) or return by post or by hand (during normal office hours only), to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom to the Receiving Agent, Neville Registrars so as to be received by the Receiving Agent by no later than 10.00 a.m. on 26 April 2018, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Dealing Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Neville Registrars Limited re: Clients Account and crossed A/C payee only. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the Applicant's name at the building society or bank by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 3.1.4 of Part V of this document).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 14 May 2018.

(c) If you want to take up all of your Open Offer Entitlement

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to Neville Registrars Limited re: Clients Account in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), to the Receiving Agent, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom so as to be received by the Receiving Agent by no later than 10.00 a.m. on 26 April 2018, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Dealing Days for delivery.

(d) If you want to apply for more than your Open Offer Entitlement

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4.

For example, if you have an Open Offer Entitlement for 600 Open Offer Shares but you want to apply for 900 Open Offer Shares in total, then you should write '600' in Box 2, '300' in Box 3 and '900' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '900') by

£0.11225, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £101.02 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying prepaid envelope (for use by Shareholders with registered addresses in the United Kingdom only) or return by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom so as to be received by the Receiving Agent by no later than 10.00 a.m. on 26 April 2018, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Dealing Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back, at the Company's absolute discretion, *pro rata* to the number of Excess Shares applied for if applications are received from Qualifying Shareholders for more than the available number of Excess Shares. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 14 May 2018.

5. I hold my interest in Existing Ordinary Shares in CREST. What do I need to do in relation to the Open Offer?

Qualifying CREST Shareholders should follow the instructions set out in Part V: "*Terms and Conditions of the Open Offer*" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

6. I acquired my Existing Ordinary Shares prior to the Open Offer Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying Shareholders who held their Existing Ordinary Shares through CREST in uncertificated form on 5 April 2018 and who have converted them to certificated form;
- Qualifying Shareholders who bought Existing Ordinary Shares before 5 April 2018 but were not registered as the holders of those shares at 6.00 p.m. on 5 April 2018; and
- certain Overseas Shareholders who are not resident in or subject to the laws of a Restricted Jurisdiction.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Neville Registers Limited on +44 (0)121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. I am a Qualifying Shareholder, do I have to apply for all the Open Offer Shares I am entitled to apply for?

You can take up any number of the Open Offer Shares allocated to you under the Open Offer Entitlement. Your maximum Open Offer Entitlement is shown on your Application Form. Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or

less than that person's Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional.

8. Can I trade my Open Offer Entitlement?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

9. What if I change my mind?

If you are a Qualifying Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 26 April 2018, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer as set out in the Application Form.

If you sell any of your Existing Ordinary Shares on or after 5 April 2018, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11. I hold my Existing Ordinary Shares in certificated form. How do I pay?

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to Neville Registrars Limited re: Clients Account and crossed A/C payee only. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the Applicant's name at the building society or bank by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form in the accompanying pre-paid envelope or return by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom, or by hand (during normal office hours only), together with the monies in the appropriate form. If you post your Application Form by first-class post, you should allow at least four Dealing Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agent must receive the Application Form by no later than 10.00 a.m. on 26 April 2018, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Dealing Days for delivery.

15. How do I transfer my entitlements into the CREST system?

If you are a Qualifying Shareholder, but are a CREST member and want your Open Offer Shares to be through CREST in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to Euroclear Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?

It is expected that Neville Registrars Limited will post all new share certificates by 14 May 2018.

17. If I buy Ordinary Shares after the Open Offer Record Date but before the ex-entitlement date, will I be eligible to participate in the Open Offer?

If you bought your Ordinary Shares after the Open Offer Record Date but before the ex-entitlement date, you are likely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

19. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part V: ''*Terms and Conditions of the Open Offer*'' of this document.

20. Further assistance

Should you require further assistance please contact the Receiving Agent, Neville Registrars Limited on +44 (0)121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART V

TERMS AND CONDITIONS OF THE OPEN OFFER

Introduction

As explained in the letter from the Chairman set out in Part I of this document, the Company is proposing to raise a maximum of £4.33 million (before expenses) (assuming full take up of the Open Offer but being less than the €5 million maximum amount permitted in connection with the Open Offer without requiring the publication by the Company of a prospectus under the Prospectus Rules), through the issue of Open Offer Shares to Qualifying Shareholders at the Issue Price.

The Open Offer is conditional upon:

1. **completion of the Restructuring (including the Debt for Equity Swap becoming effective);**
2. **the Open Offer Resolutions being duly passed at the General Meeting;**
3. **Admission of the Exchange Shares becoming effective on or before 8.00 a.m. on 26 April 2018 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 31 May 2018); and**
4. **Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 30 April 2018 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 31 May 2018).**

The Issue Price is the same as the closing middle market price of 11.225 pence per Existing Ordinary Share on 5 April 2018, being the last practicable date before the announcement of the Open Offer.

The purpose of this Part V is to set out the terms and conditions of the Open Offer. Up to 38,603,797 Open Offer Shares will be issued through the Open Offer. Qualifying Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer has not been underwritten.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 5 April 2018. Qualifying Non-CREST Shareholders will have received Application Forms with this document and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 10 April 2018.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for Excess Shares.

The latest time and date for receipt of a completed Application Form and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 10.00 a.m. on 26 April 2018 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 30 April 2018.

This document and, for Qualifying Non-CREST Shareholders only, the Application Form contains the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 3 of this Part V, which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Open Offer is an opportunity for Qualifying Shareholders to apply for Open Offer Shares *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

1. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

(a) 5 Open Offer Shares for every 21 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and

(b) further Open Offer Shares in excess of the Open Offer Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full).

Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6) and your Open Offer Entitlements (in Box 7).

If you are a Qualifying CREST Shareholder, application will be made for your Open Offer Entitlement and Excess CREST Open Offer Entitlement to be credited to your CREST account. Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts on 10 April 2018. The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Qualifying CREST Shareholders will have their Open Offer Entitlement and Excess CREST Open Offer Entitlement credited to their stock accounts in CREST and should refer to paragraph 3.2 of this Part V for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Please refer to paragraphs 3.1.6 and 3.2.11 of this Part V for further details of the Excess Application Facility.

In the event that the Open Offer is not fully subscribed, the Directors reserve the right to place the balance of the Open Offer Shares, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Open Offer.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying

Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

The attention of Overseas Shareholders is drawn to paragraph 6 of this Part V.

The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

2. Conditions and further terms of the Open Offer

The Open Offer is conditional on:

1. completion of the Restructuring (including the Debt for Equity Swap becoming effective);
2. the Open Offer Resolutions being duly passed at the General Meeting;
3. Admission of the Exchange Shares becoming effective on or before 8.00 a.m. on 26 April 2018 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 31 May 2018); and
4. Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 30 April 2018 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 31 May 2018).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable, but within 14 days, thereafter.

Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form by 14 May 2018.

In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 30 April 2018.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Admission of the Open Offer Shares is expected to occur on 30 April 2018, when dealings in the Open Offer Shares are expected to begin.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

3. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you are sent an Application Form in respect of your Open Offer Entitlement under the Open Offer or your Open Offer Entitlement and Excess CREST Open Offer Entitlement is credited to your CREST stock account. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in certificated form should have received the Application Form, accompanying this document. The Application Form shows the number of Existing Ordinary Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to

deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 3.2.6 of this Part V.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

3.1 ***If you have received an Application Form in respect of your Open Offer Entitlement under the Open Offer:***

3.1.1 *General*

Subject to paragraph 6 of this Part V in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the Open Offer Entitlement allocated to them set out in Box 7. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 8 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. The Excess Shares will be scaled back at the Company's absolute discretion *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

3.1.2 *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked ''ex'' the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 24 April 2018. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked ''ex'' the entitlement to participate in the Open Offer, should contact his broker or other professional adviser authorised under the FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holding should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the

purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into or from the United States or any Restricted Jurisdiction, nor in or into or from any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 3.2 of this Part V below.

3.1.3 *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for Excess Shares if they have agreed to take up their Open Offer Entitlements in full.

The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be returned by post or by hand (during business hours only) to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom by no later than 10.00 a.m. on 26 April 2018. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 10.00 a.m. on 26 April 2018.

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Dealing Days for delivery. The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

(a) Application Forms received after 10.00 a.m. on 26 April 2018; or

(b) Applications in respect of which remittances are received before 10.00 a.m. on 26 April 2018 from authorised persons (as defined in the FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Dealing Days.

All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

3.1.4 *Payments*

All payments must be in pounds sterling and made by cheque made payable to Neville Registrars Limited re: Clients Account and crossed A/C payee only. Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Open Offer Application Form. Post-dated cheques will not be accepted.

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent, Neville Registrars Limited, to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and/or cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, but within 14 days, following the lapse of the Open Offer. If Open Offer Shares have already been allotted to a Qualifying Non-Crest Shareholder and such Qualifying Non-Crest Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-Crest Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-Crest Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrars, the Receiving Agent, Cenkos or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non- Crest Shareholders.

3.1.5 *Incorrect sums*

If an Application Form encloses a payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

(a) to reject the application in full and return the cheque or refund the payment to the Qualifying non-CREST Shareholder in question (without interest); or

(b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or

(c) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate non-interest bearing bank account.

3.1.6 *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Excess Shares. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares may do so by completing Box 3 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Qualifying Non-CREST Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 38,603,797 Open Offer Shares, resulting in a scale back of applications, each Qualifying Non-CREST Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Qualifying Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, but within 14 days thereafter, without payment of interest and at the applicant's sole risk.

3.1.7 *Effect of valid application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form, the applicant:

(a) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

(b) agrees with the Company and Cenkos that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;

(c) confirms to the Company and Cenkos that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);

(d) represents and warrants to the Company and Cenkos that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;

(e) represents and warrants to the Company and Cenkos that if he has received some or all of his Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;

(f) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form and subject to the Articles;

(g) represents and warrants to the Company and Cenkos that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of

any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

(h) represents and warrants to the Company and Cenkos that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depositary receipts and clearance services) of the Finance Act 1986; and

(i) confirms that in making the application he is not relying and has not relied on the Company or Cenkos or any person affiliated with the Company, or Cenkos, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom or by telephone to Neville Registrars Limited on +44 (0)121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

3.1.8 *Proxy*

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form. However, you are encouraged to vote at the General Meeting by completing and returning the accompanying Form of Proxy.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 3.2.6 below for more information.

3.2 ***If you have an Open Offer Entitlement and an Excess CREST Open Offer Entitlement credited to your stock account in CREST in respect of your entitlement under the Open Offer***

3.2.1 *General*

Subject to paragraph 6 of this Part V in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlement and a credit of Excess CREST Open Offer Entitlements. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlements they have been credited then they should contact Neville Registrars Limited on +44 (0)121 585 1131 to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlements to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 23 April 2018, or such later time and/or date as the Company may decide, an Application Form will be sent to

each Qualifying CREST Shareholder in substitution for the Open Offer Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. CREST sponsored members should consult their CREST sponsor if they wish to apply for Open Offer Shares as only their CREST sponsor will be able to take the necessary action to make this application in CREST.

3.2.2 *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as ''cum'' the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

3.2.3 *Unmatched Stock Event (USE Instructions)*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

(a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and

(b) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (a).

3.2.4 *Content of USE Instruction in respect of Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

(b) the ISIN of the Open Offer Entitlement. This is GB00BFZWW109;

(c) the CREST participant ID of the accepting CREST member;

(d) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(e) the participant ID of the Registrars in its capacity as a CREST receiving agent. This is 7RA11;

(f) the member account ID of the Registrars in its capacity as a CREST receiving agent. This is AVNBASIC;

(e) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

(f) the intended settlement date. This must be on or before 10.00 a.m. on 26 April 2018; and

(g) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 10.00 a.m. on 26 April 2018.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

(i) a contact name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 26 April 2018 in order to be valid is 10.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 April 2018 (or such later time and date as the Company and Cenkos determine being no later than 8.00 a.m. on 31 May 2018), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

3.2.5 *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(a) the number of Excess Shares for which application is being made (and hence being delivered to the Receiving Agent);

(b) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BFZWW216;

(c) the CREST participant ID of the accepting CREST member;

(d) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;

(e) the participant ID of the Registrars in its capacity as a CREST receiving agent. This is 7RA11;

(f) the member account ID of the Registrars in its capacity as a CREST receiving agent. This is AVNXS;

(g) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Excess Shares referred to in (i) above;

(h) the intended settlement date. This must be on or before 10.00 a.m. on 26 April 2018; and

(i) the Corporate Action Number for the Open Offer. This will be available for viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 10.00 a.m. on 26 April 2018.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

(i) a contract name and telephone number (in the free format shared note field); and

(ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 26 April 2018 in order to be valid is 10.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 April 2018 (or such later time and date as the Company and Cenkos determine being no later than 8.00 a.m. on 31 May 2018), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

3.2.6 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 10.00 a.m. on 26 April 2018. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 23 April 2018 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 20 April 2018 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 10.00 a.m. on 26 April 2018.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed ''Instructions for depositing entitlements under the Open Offer into CREST'' on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and,

where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

3.2.7 *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 10.00 a.m. on 26 April 2018 will constitute a valid application under the Open Offer.

3.2.8 *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 10.00 a.m. on 26 April 2018. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.2.9 *Form of Proxy*

If a Qualifying CREST Shareholder does not wish to apply for the Open Offer Shares under the Open Offer, they should take no action. They are however, encouraged to vote at the General Meeting by completing and returning the accompanying Form of Proxy.

3.2.10 *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

(a) to reject the application in full and refund the payment to the CREST member in question (without interest);

(b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and

(c) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

3.2.11 *The Excess Application Facility*

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Open Offer Entitlement in full, to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part V in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 38,603,797 Open Offer Shares, resulting in a scale back of applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement, and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, but within 14 days, following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess CREST Open Offer Entitlements should be addressed to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom or by telephone on +44 (0)121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

3.2.12 *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of his *pro rata* entitlement to Open Offer Shares in accordance with the above procedures hereby:

(a) represents and warrants to the Company and Cenkos that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

(b) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

(c) agrees with the Company and Cenkos that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;

(d) confirms to the Company and Cenkos that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document (including information incorporated by reference);

(e) represents and warrants to the Company and Cenkos that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;

(f) represents and warrants to the Company and Cenkos that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;

(g) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;

(h) represents and warrants to the Company and Cenkos that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

(i) represents and warrants to the Company and Cenkos that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depositary receipts and clearance services) of the Finance Act 1986; and

(j) confirms that in making the application he is not relying and has not relied on the Company or Cenkos or any person affiliated with the Company, or Cenkos, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

3.2.13 *Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion, but shall not be obliged to:

(a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part V;

(b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrars

has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

3.2.14 *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 April 2018 or such later time and date as the Company and Cenkos determine (being no later than 8.00 a.m. on 31 May 2018), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4. Money Laundering Regulations

4.1 ***Holders of Application Forms***

To ensure compliance with the Money Laundering Regulations, Neville Registrars Limited may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the ''verification of identity requirements''). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrars. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the ''acceptor''), including any person who appears to Neville Registrars Limited to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 4 the ''relevant Open Offer Shares'') and shall thereby be deemed to agree to provide Neville Registrars Limited with such information and other evidence as they may require to satisfy the verification of identity requirements.

If Neville Registrars Limited determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Neville Registrars Limited is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Neville Registrars Limited nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Neville Registrars Limited has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which

event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Neville Registrars Limited and Cenkos from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

4.1.1 if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering or terrorist financing (no. 2015/849/EU);

4.1.2 if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

4.1.3 if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or

4.1.4 if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,101).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

(a) if payment is made by cheque in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to Neville Registrars Limited re: Clients Account and crossed A/C payee only. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the name of the account holder and have either added the building society or bank branch stamp to the back of the cheque or have provided a supporting letter confirming the source of funds. The name of the account holder should be the same as the name of the shareholder shown on page 1 of the Application Form; or

(b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 4.1.1 above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact Neville Registrars Limited.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Neville Registrars Limited on +44 (0)121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If the Application Form(s) is/are in respect of Open Offer Shares and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with his or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 10.00 a.m. on 26 April 2018, Neville Registrars Limited has not received evidence satisfactory to it as aforesaid, Neville Registrars Limited may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account

at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.2 ***Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlement and Excess CREST Open Offer Entitlement in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlement and Excess CREST Open Offer Entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Neville Registrars Limited is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Neville Registrars Limited before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction, which on its settlement constitutes a valid application as described above, constitutes a warranty and undertaking by the applicant to provide promptly to Neville Registrars Limited such information as may be specified by Neville Registrars Limited as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Neville Registrars Limited as to identity, Neville Registrars Limited may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 27 April 2018. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 30 April 2018.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 10.00 a.m. on 26 April 2018 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company.

On 30 April 2018, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 3.1 above and their respective Application Form.

6. Overseas Shareholders

The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 ***General***

The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Cenkos, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement or an Excess CREST Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in whose jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cenkos nor any of their respective representatives is making any representation or warranty to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with

the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and Cenkos determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part V and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

Notwithstanding any other provision of this document or the relevant Application Form, the Company, and Cenkos reserve the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction.

Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 ***United States***

The Open Offer Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no Open Offer Shares will be credited to a stock

account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company, and Cenkos reserve the right to reject any USE Instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the US Securities Act.

6.3 ***Restricted Jurisdictions***

Due to restrictions under the securities laws of the other Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction.

6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 ***Representations and warranties relating to Overseas Shareholders***

6.5.1 *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Cenkos and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not applying for the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is acquiring the Open Offer Shares in an ''offshore transaction'' pursuant to Rule 903 of Regulation S under the US Securities Act; (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iv) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (iii) above at the time the instruction to accept was given; and (v) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 6.5.1.

6.5.2 *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part V represents and warrants to the Company, Cenkos and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not a U.S. person and is acquiring the Open Offer Shares in an ''offshore transaction'' pursuant to Rule 903 of Regulation S under the US Securities Act; (ii) such person is not within any other Restricted Jurisdiction; (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iv) such person is not accepting on a nondiscretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (v) such person is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

6.6 ***Waiver***

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Cenkos in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. Times and dates

The Company shall, in agreement with Cenkos and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or

extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Dealing Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Dealing Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. Taxation

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9. Further information

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART VI

SECTION A

THE PROFIT FORECAST

Profit Forecast

Paragraph 5 of Part I of this document includes a ''profit forecast'' for the purposes of Rule 28 of the Takeover Code, which has been reported on in accordance with the requirements of the Takeover Code. The profit forecast comprises the following which was previously announced by the Company on 25 January 2018 and amended on 9 April 2018 (**''Profit Forecast''**).

''The Directors forecast that revenue for the current financial year will not be less than US$50 million. In addition, there is a large infrequently recurring transaction in the pipeline that, if it closes, would add a further US$40 million to Group revenue, with US$18 million of associated costs, in the current year. With effect from the end of the current financial year, the Company expects substantial growth in revenue driven off the introduction of HYLAS 4 to the fleet opening up new markets in sub-Saharan Africa.

Excluding the costs associated with the potential large transaction referred to above, the directors forecast that costs of sale and operating expenditure for the current financial year will be US$86 million. This includes US$2m of costs related to the ARTEMIS satellite which will not recur in future years and US$9m of cost associated with equipment sold to customers which is expected to reduce in future financial years. Therefore underlying costs, are expected to fall within the range of US$75m to US$80m[3].''

Basis of preparation and principal assumptions

The Profit Forecast is based on unaudited management accounts for the eight months ended 28 February 2018 and a forecast to 30 June 2018.

The Profit Forecast has been prepared on a basis consistent with the current accounting policies of Avanti and its subsidiaries, which are in accordance with IFRS and are those that Avanti will apply in preparing its financial statements for the financial year ending 30 June 2018.

The Directors of Avanti have prepared the Profit Forecast on the basis of the following assumptions which are outside of the influence or control of the Avanti Board and could turn out to be incorrect and therefore affect whether the profit forecast can be achieved:

Factors outside the influence or control of the Avanti Board

- no change to current prevailing global macroeconomic and political conditions during FY18 which is material in the context of the Profit Forecast;
- no adverse event or circumstances materially affecting the quality, availability and coverage of Avanti satellites and network capability;
- no adverse event or circumstances affecting the bringing into service of HYLAS 4;
- no events or circumstances arise which delay the proposed financial restructuring which could impact customer confidence and delay forecast new business which is included within the Profit Forecast;
- no change which materially impacts the ability of one or more of Avanti's larger customers to pay for services and equipment delivered which is material in the context of the Profit Forecast;
- no change in legislation or regulation impacting on Avanti operations or its accounting policies and standards to which it is subject which is material in the context of the Profit Forecast;
- no change in inflation, interest, exchange rates or tax rates in Avanti's principal markets compared with Avanti's estimates which is material in the context of the Profit Forecast;

3 Underlying costs for FY18 of $75m-$80m are reached after deducting $2m of costs incurred in operating and re-orbiting to a graveyard orbit the ARTEMIS satellite during FY18; and a reduction in the cost associated with equipment sold to customers to the anticipated future level of costs. As the Group focusses its resources on the sale of satellite bandwidth, it projects that costs associated with equipment sales will fall to a level of $1.5 million per annum.

- no material change to the competitive environment leading to an adverse impact on consumer preferences or the capacity of the business to penetrate new markets which is material in the context of the Profit Forecast;
- no change in government customer spending, budgets or political priorities which is material in the context of the Profit Forecast;
- no change in the orbital slots licences, rights and positions held to provide adequate coverage, deliver our services, or bring orbital slots into use which is material in the context of the Profit Forecast; and
- no change in labour costs, including pension and other post-retirement benefits.

Reports

As required by Rule 28.1(a) of the Takeover Code, KPMG LLP, as reporting accountant to Avanti, and Cenkos Securities plc, as financial advisers to Avanti, have provided the reports required under that Rule.

Copies of these reports are included in Sections B and C of this Part VI. Both KPMG LLP and Cenkos Securities plc has given and has not withdrawn its consent to the publication of its report in the form and context in which it is included.

SECTION B

KPMG LLP REPORT ON THE PROFIT FORECAST

The Directors
Avanti Communications Group plc
Cobham House
20 Blackfriars Lane
London
EC4V 6EB

Cenkos Securities plc
6-8 Tokenhouse Yard
London, EC2R 7AS

9 April 2018

Ladies and Gentlemen

Avanti Communications Group plc

We report on the profit forecast comprising the forecast of revenue, underlying operating costs and infrequently occurring revenue and costs of Avanti Communications Group plc (**''the Company''**) and its subsidiaries (**''the Group''**) for the year ending 30 June 2018 (the **''Profit Forecast''**). The Profit Forecast, and the material assumptions upon which it is based, are set out in Part VI, Section A of the circular dated 9 April 2018. This report is required by Rule 28.1 of The City Code on Takeovers and Mergers (**''the City Code''**) and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (**''the Directors''**) to prepare the Profit Forecast in accordance with the requirements of the City Code.

It is our responsibility to form an opinion as required by the City Code as to the proper compilation of the profit forecast and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the City Code, consenting to its inclusion in the circular.

Basis of Preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated in Part VI, Section A of the circular and is based on unaudited management accounts for the eight months ended 28 February 2018 and a forecast to 30 June 2018. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not

been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

KPMG LLP

SECTION C

CENKOS REPORT ON THE PROFIT FORECAST

The Directors
Avanti Communications Group plc
Cobham House
20 Blackfriars Lane
London
EC4V 6EB

9 April 2018

Avanti Communications Group plc

We report on the Profit Forecast (the **''Statement''**) made by Avanti Communications Group plc (**''Avanti''**) and set out in Part VI (Profit Forecast) of the circular dated 9 April 2018 (the **''Circular''**) for which the Directors of Avanti are solely responsible under Rule 28.3 of the City Code on Takeovers and Mergers (the **''Code''**).

We have discussed the Statement with the Directors. The Statement is subject to uncertainty as described in the Circular and our work did not involve an independent examination, or verification, of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of Avanti, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any view as to the achievability of the Statement.

We have also reviewed the work carried out by KPMG LLP and have discussed with them the opinion set out in Part VI (Profit Forecast) of the Circular.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to Avanti, its shareholders or any person other than the Directors in respect of the contents of this letter. No person other than the Directors can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its contents or the work undertaken in connection with this letter or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which the Directors are solely responsible, has been prepared with due care and consideration.

Yours faithfully,

Cenkos Securities plc

PART VII

INFORMATION ON SOLUS AND THE SOLUS FUNDS

1. Information on Solus and the Solus Funds

1.1 Solus is a limited partnership and was incorporated on 9 April 2007 under the laws of the state of Delaware, United States. The registered office of Solus is at The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801-1120.

1.2 The general partner of Solus is Solus GP LLC. The general partner exercises management and control in respect of Solus.

1.3 Solus is a United States Securities and Exchange Commission registered private investment adviser, headquartered in New York, New York. Solus acts as investment adviser to numerous hedge funds, private equity funds, hybrid funds and funds of one. Solus specialises in investing in event-driven, distressed and special situation opportunities.

1.4 Solus acts as investment adviser to the Solus Funds, which hold relevant securities in Avanti as follows:

Name	*Jurisdiction*	*No. of Ordinary Shares*
Sola Ltd	Cayman Islands	24,316,483
Ultra Master Ltd	Cayman Islands	66,127
Solus Senior High Income Fund LP	United States	434,626
Solus Opportunities Fund 5 LP	United States	917,610
Ultra NB LLC	United States	18,340

1.5 Solus is not required to publish audited consolidated accounts as a consequence of it being a limited partnership.

1.6 Solus is not required to publish statements of annual results, half-yearly financial reports or interim financial information as a consequence of it being a limited partnership.

2. Intention statements

2.1 ***Solus's intentions regarding Avanti's business***

(a) Solus on behalf of the Solus Funds is interested in both debt and equity instruments of the Company. In addition, Craig Chobor, an employee of Solus, is currently a Director of the Company. Solus has confirmed to the Company that other than the continuation of these investments and the continuation of Mr. Chobor's role as a Director, Solus has no specific intentions with regard to the future business of Avanti.

(b) Solus has no intention to change Avanti's business that would affect:

(i) the research and development functions of the Company;

(ii) the employment of employees, including the continued employment of, or the conditions of employment of, any of the Group's employees and management, or the balance of the skills and functions of the employees and management; or

(iii) the strategic plans of the Company; or

(iv) the locations of Avanti's business or operating subsidiaries, including their headquarter and headquarter functions; or

(v) contributions into Avanti's pension schemes, the accrual of benefits for existing members or the admission of new members; or

(vi) any redeployment of the fixed assets of the Group; or

(vii) the continuation of the Ordinary Shares being admitted to trading on AIM.

2.2 ***Solus's intentions regarding the business of Solus***

(a) Solus has also confirmed to the Company that as result of and following completion of the Solus Funds' participation in the Debt for Equity Swap, Solus does not intend to change its business strategy. In addition, Solus has confirmed to the Company that Solus does not have any intentions regarding its own business that would effect:

(i) the research and development functions of Solus;

(ii) the employment of employees, including the continued employment of, or the conditions of employment of, Solus (or their respective group of companies) employees and management; or

(iii) the strategic plans of Solus; or

(iv) the locations of any member of Solus's business or operating subsidiaries.

3. Arrangements

(a) Craig Chobor, a Director of the Company, is employed as Director of Research by Solus at its New York office. Mr Chobor has been a full-time employee of Solus since 2007, having previously been employed since 1999 by the investment manager from which Solus spun out in 2007. Mr Chobor's employment is terminable at will by the parties. Pursuant to the terms of his employment with Solus, he receives an annual salary, and a discretionary, performance-linked bonus.

(b) Solus is a party to the Restructuring Agreement. Please refer to paragraph 6.1(b) below for further details.

(c) Save as disclosed above, no partner of Solus nor any persons acting in concert with it have entered into agreements, arrangements or understandings (including any compensation arrangement) with any of the Directors, recent Directors, Shareholders, recent Shareholders or any person interested or recently interested in Existing Ordinary Shares which are connected with or dependent upon the outcome of the Restructuring and/or Open Offer. Solus has not entered into any agreement, arrangement or understanding to transfer any interest acquired in Avanti, as a result of the Restructuring and/or Open Offer to any person.

PART VIII

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors, whose names are set out on page 7 of this document, accept responsibility for the information contained in this document (including any expressions of opinion) other than that relating to Solus, the Solus Funds and their connected persons for which Craig Chobor accepts responsibility and the recommendation to Independent Shareholders to vote in favour of the Whitewash Resolution for which the Independent Directors accept responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 The Independent Directors, whose names are set out on page 12 of this document, accept responsibility for the recommendation that Independent Shareholders vote in favour of the Whitewash Resolution. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Craig Chobor, Peter Reed and Michael Leitner have not participated in the Independent Directors' consideration of the Whitewash Resolution and do not take responsibility for the recommendation of the Whitewash Resolution contained in paragraph 18, headed ''Recommendation'' of Part I of this document. The Panel has consented to the exclusion of Craig Chobor, Peter Reed and Michael Leitner from these matters on the basis that Mr Chobor is an employee of Solus, Mr Reed is a director of Great Elm Capital Management, Inc. (the investment manager of certain underlying funds which are 2023 Note Holders participating in the Debt for Equity Swap) and Mr Leitner is a partner of Tennenbaum Capital Partners, LLC (the investment manager of certain underlying funds which are 2023 Note Holders participating in the Debt for Equity Swap), and therefore they are not in a position to independently advise the Independent Shareholders in connection with the Whitewash Resolution.

1.3 For the purposes of Rule 19.2 of the Takeover Code only, Craig Chobor accepts responsibility for the information contained in this document (including any expressions of opinion) relating to Solus, the Solus Funds and their connected persons. To the best of the knowledge and belief of Mr Chobor (who has taken all reasonable care to ensure that such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Interests in Avanti Shares

2.1 *Interests of the Solus Funds in relevant securities of Avanti*

As at the last day of the Disclosure Period, Solus was interested in the following relevant securities of Avanti by virtue of its role as investment manager and adviser to the Solus Funds:

Name	*Number of Ordinary Shares*
Sola Ltd	24,316,483
Ultra Master Ltd	66,127
Solus Senior High Income Fund LP	434,626
Solus Opportunities Fund 5 LP	917,610
Ultra NB LLC	18,340

2.2 *Interests of Directors in relevant securities of Avanti*

As at the last day of the Disclosure Period, the interests of the Directors and their immediate families, related trusts and connected persons, all of which are beneficial unless otherwise stated, in relevant securities of Avanti were (with the exception of options in respect of Ordinary Shares which are set out in paragraph 2.3 below) as follows:

Name	*Number of Ordinary Shares*
Kyle Whitehill	—
Paul Walsh	230,000
David Bestwick	1,301,954
Peter Reed	—
Craig Chobor	—
Michael Leitner	—
Andrew Green	21,888
Paul Johnson	10,000
Richard Mastoloni	—
Christopher McLaughlin	—
Alan Harper	—
Nigel Fox	134,580

2.3 *Interests of Directors in options over Ordinary Shares*

As at the last day of the Disclosure Period, the following options in respect of Ordinary Shares had been granted to the following Directors for nil consideration and remained outstanding under the Share Option Schemes:

Name	*Scheme*	*Number of Ordinary Shares under option*	*Dates of grant*	*Exercise price (p)*	*Exercise period*
David Bestwick	Avanti LTIP Scheme 2013	899,185	2013-2016	£0.01	30/06/2020
Nigel Fox	Avanti LTIP Scheme 2013	344,940	2013-2016	£0.01	30/06/2020

3. Dealings in Avanti Shares

3.1 *Dealings in relevant securities of Avanti by Solus*

In the last 12 months, the only dealings that Solus has carried out has been the movement of 18,340 Ordinary Shares from one Solus Fund to another in connection with internal portfolio reorganisations on 1 February 2018.

4. Interests and dealings – General

4.1 As at the last day of the Disclosure Period, save as disclosed in this document, neither Solus, nor the general partner of Solus nor any connected persons or persons acting in concert Solus nor any person with whom Solus or any person acting in concert with Solus has an arrangement, had an interest in, right to subscribe for, or any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to acquire another person to purchase or take delivery of, any relevant securities of Avanti, nor had any of the foregoing dealt in any relevant securities of Avanti during the Disclosure Period.

4.2 As at the last day of the Disclosure Period, neither Solus nor any person acting in concert with it has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) any relevant securities of Avanti.

4.3 As at the last day of the Disclosure Period, save as disclosed in this document, neither Avanti, nor any of the Directors, nor any member of their immediate families, related trusts or (so far as the Directors are aware) connected persons had an interest in, right to subscribe for, or any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, any relevant securities of Avanti or any relevant securities of Solus.

4.4 As at the last day of the Disclosure Period, no person acting in concert with Avanti and no person with whom Avanti or any person acting in concert with Avanti has an arrangement had an interest in, right to subscribe for, or any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, any relevant securities of Avanti or any relevant securities of Solus.

4.5 As at the last day of the Disclosure Period, neither Avanti nor any person acting in concert with Avanti has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the Code) any relevant securities of Avanti.

4.6 The Directors confirm that no disqualifying transactions, as defined in Section 3 to Appendix 1 of the Takeover Code, have been undertaken by Solus in the 12 months preceding the date of this document.

4.7 As at the last day of the Disclosure Period, save as disclosed in this document, there were no arrangements between Solus or any person acting in concert with it and any other person.

4.8 For the purposes of this Part II:

(a) ''acting in concert'' has the meaning set out in the Takeover Code;

(b) ''arrangement'' has the meaning set out in Note 11 to the definition of acting in concert;

(c) ''dealing'' or ''dealt'' includes the following:

(i) the acquisition or disposal of securities;

(ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities;

(iii) subscribing or agreeing to subscribe for relevant securities;

(iv) the exercise or capitalisation, whether in respect of new or existing relevant securities, of any relevant securities carrying capitalisation or subscription rights;

(v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities;

(vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;

(vii) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and

(viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

(d) ''derivative'' includes any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

(e) ''Disclosure Period'' means the period commencing on 10 April 2017 (being the date 12 months prior to the publication of this document) and ending on 9 April 2018 (being the latest practicable date prior to the publication of this document);

(f) ''relevant securities of Solus'' means partnerships interests and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto;

(g) ''relevant securities of Avanti'' means Ordinary Shares and securities convertible into, or rights to subscribe for, options (including traded options) in respect thereof and derivatives referenced thereto;

(h) ownership or control of 20 per cent. or more of the equity share capital is regarded as the test of associated company status and ''control'' means an interest or interests in shares carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or aggregate holding gives *de facto* control;

(i) a person is treated as having an ''interest in securities'' if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person is treated as ''interested'' in securities if:

(i) he owns them;

(ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;

(iii) by virtue of any agreement to purchase, option or derivative, he;

(A) has the right or option to acquire them or call for their delivery; or

(B) is under an obligation to take delivery of them,

whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

(iv) he is a party to any derivative:

(A) whose value is determined by reference to their price; and

(B) which results, or may result, in his having a long position in them.

5. Directors' remuneration and service agreements

The executive Directors' services agreements and the non-executive Directors' letters of appointment are summarised below and, other than as described, have not been amended in the six months preceding the publication of this document:

5.1 Paul Walsh is employed as Chairman pursuant to the terms of an original letter of appointment with the Company dated 3 January 2012 and as amended and restated on 14 January 2014. The appointment is terminable by either party on not less than twelve months' written notice. Mr Walsh is paid a basic annual salary of £200,000. His basic salary is subject to annual review by the remuneration committee of Company. The agreement is governed by English law.

5.2 Pursuant to the terms of a letter of appointment with the Company dated 17 March 2017 as amended on 10 August 2017, Alan Harper has agreed to serve as a non-executive director of the Company. The agreement is terminable by either party on not less than three months' written notice. Mr Harper is paid a basic monthly salary of £55,000. The agreement is governed by English law.

5.3 Kyle Whitehall is employed as Chief Executive Officer with effect from 3 April 2018 pursuant to the terms of a service agreement with the Company dated 1 February 2018. The agreement is terminable by either party on not less than twelve months' written notice. Mr Whitehall is paid a basic annual salary of £480,000 and participates in a bonus and share options scheme subject to certain performance targets and criteria. Mr Whitehall is entitled to receive a guaranteed bonus of £5,000 a month until the 30 June 2019, this amount being deductible from the aforementioned bonus scheme and is also entitled to receive a discretionary bonus in the event that the Group achieves certain performance objectives (subject to deduction of the guaranteed bonus). Mr Whitehall's basic salary and bonus are subject to annual review by the remuneration committee. In addition, he is entitled to private medical insurance cover for himself and his immediate family, life insurance and he is able to join the Company's pension plan. Mr Whitehall is subject to certain non-competition and non-solicitation covenants for a period of twelve months following the termination of his employment. Upon serving or receiving notice of termination, the Company is, at its

discretion, entitled to pay salary (including benefit and any pension contributions) in lieu of notice. The inclusion of benefits and pension in pay in lieu of notice is unusual. The agreement is governed by English law.

5.4 David Bestwick is employed as Technical Director with effect from 16 April 2007 pursuant to the terms of a service agreement with the Company originally dated 15 March 2007 (as amended). The agreement is terminable by either party on not less than twelve months' written notice. Mr Bestwick is paid a basic annual salary of £284,930 and is entitled to receive a bonus in the event that the Group achieves certain performance objectives. His basic salary and bonus are subject to annual review by the remuneration committee. In addition, he is entitled to private medical insurance cover for himself and his immediate family, life insurance and a contribution of up to 12.5 per cent. of his basic salary to a personal pension plan of his choice. Mr Bestwick also receives an annual car allowance of £10,000. Mr Bestwick is subject to certain non-competition and non-solicitation covenants for a period of twelve months following the termination of his employment. Upon serving or receiving notice of termination, the Company is, at its discretion, entitled to pay salary (including benefit and any pension contributions) in lieu of notice. The inclusion of benefits and pension in pay in lieu of notice is unusual. The agreement is governed by English law.

5.5 Nigel Fox is employed as Group Financial Officer pursuant to the terms of a service agreement with the Company originally dated 15 May 2007 as amended on 1 May 2010 and 11 September 2017. Mr Fox stepped down from the Board in January 2017 and was re-appointed in September 2017. The agreement is terminable by the Company on not less than twelve months' written notice and is terminable by Mr. Fox on not less than six months' written notice. Mr Fox is paid a basic annual salary of £237,610 and participates in a bonus and share options scheme subject to certain performance targets and criteria. His basic salary and bonus are subject to annual review by the remuneration committee of Company. In addition, he is entitled to membership of the Group health and death in service schemes and receives a contribution of up to 12.5 per cent. of his basic salary to a personal pension plan of his choice. Mr Fox is subject to certain non-competition and non-solicitation covenants for a period of twelve months' following the termination of his employment. Upon serving or receiving notice of termination, the Company is, at its discretion, entitled to pay salary (including benefit and any pension contributions) in lieu of notice. The inclusion of benefit and pension in pay in lieu of notice is unusual. The agreement is governed by English law.

5.6 Pursuant to the terms of a letter of appointment with the Company dated 25 January 2017, Peter Reed has agreed to serve as a non-executive director of the Company without payment of an annual fee. This appointment is for an initial term of three years but will terminate automatically if Mr Reed is removed from office by a resolution of Shareholders or is not re-elected to office.

5.7 Pursuant to the terms of a letter of appointment with the Company dated 25 January 2017, Craig Chobor has agreed to serve as a non-executive director of the Company without payment of an annual fee. This appointment is for an initial term of three years but will terminate automatically if Mr Chobor is removed from office by a resolution of Shareholders or is not re-elected to office.

5.8 Pursuant to the terms of a letter of appointment with the Company dated 25 January 2017, Michael Leitner has agreed to serve as a non-executive director of the Company without payment of an annual fee. This appointment is for an initial term of three years but will terminate automatically if Mr Leitner is removed from office by a resolution of Shareholders or is not re-elected to office.

5.9 Pursuant to the terms of a letter of appointment (as amended) with the Company dated 27 November 2014, Andrew Green has agreed to serve as a non-executive director and Senior Independent Director of the Company for an annual fee of £75,000. Mr Green is chairman of the Remuneration Committee and benefits from a £10,000 per annum uplift as a result. The appointment is terminable by either party on not less than twelve months' written notice.

5.10 Pursuant to the terms of a letter of appointment with the Company dated 20 December 2012 and as amended on 22 December 2017, Paul Johnson has agreed to serve as a non-executive director of the Company for an annual fee of £60,000. Mr Johnson is chairman of the Audit Committee and benefits from a £10,000 per annum uplift as a result. This

appointment is for an initial term of three years but is capable of being extended for further periods pursuant to a resolution of Shareholders. The letter of appointment was amended with effect from 22 December 2017 to increase Mr Johnson's notice period from three months' written notice to six months' written notice.

5.11 Pursuant to the terms of a letter of appointment with the Company dated 20 December 2016 and as amended on 22 December 2017, Richard Mastoloni has agreed to serve as a non-executive director of the Company for an annual fee of £60,000. This appointment is for an initial term of three years but is capable of being extended for further periods pursuant to a resolution of Shareholders. The letter of appointment was amended with effect from 22 December 2017 to increase Mr Mastoloni's notice period from three months' written notice to six months' written notice.

5.12 Pursuant to the terms of a letter of appointment with the Company dated 1 September 2017 and as amended on 22 December 2017, Christopher McLaughlin has agreed to serve as a non-executive director of the Company for an annual fee of £60,000. This appointment is for an initial term of three years but is capable of being extended for further periods pursuant to a resolution of Shareholders. The letter of appointment was amended with effect from 22 December 2017 to increase Mr McLaughlin's notice period from three months' written notice to six months' written notice.

6. Material Contracts

6.1 The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the period of two years immediately preceding the date of this document:

(a) The Company entered into a lock-up and restructuring agreement dated 20 December 2016 (the **''2016 Restructuring Agreement''**) with certain members of its Group (as additional obligors) and the Note Holders party thereto.

The 2016 Restructuring Agreement sets out the terms and conditions pursuant to which certain Note Holders agreed with Avanti that they would take certain actions to support the implementation of a restructuring. The restructuring included:

- a refinancing through the creation of US$242 million of additional liquidity through US$130 million of new cash funding and up to US$112 million of potential interest deferrals up to April 2018;
- the agreement of holders representing approximately 73 per cent. of Avanti's senior secured notes due 2019 (**''2019 Notes''**) to fully underwrite the US$130 million of new cash funding and consent to certain amendments and waivers to the 2019 Notes indenture to implement the proposed refinancing;
- a consent solicitation and exchange to effect proposed amendments and waivers to the 2019 Notes indenture, requiring the support of holders representing at least 90 per cent. in aggregate principal amount of the 2019 Notes; and
- proposed amendments including the creation of a new US$132.5 million super senior debt basket.

The restructuring pursuant to the 2016 Restructuring Agreement was completed on 27 January 2017.

(b) The Restructuring Agreement, pursuant to which the Company and the Consenting Holders and Consenting Shareholders have agreed certain terms of the Restructuring.

The Restructuring Agreement sets out the terms and conditions pursuant to which Solus, Great Elm Capital Management and certain other Shareholders and Note Holders who have acceded to the Restructuring Agreement (as described below) have agreed with Avanti that they will take certain actions to support the implementation of the Restructuring, including, among other things, consenting to the 2021 90% Proposed Amendments and the Debt for Equity Swap, voting in favour of the Scheme, and approving the Enlarged Share Capital and the Rule 9 Waiver. In the Restructuring Agreement, the parties agree that if the Takeover Panel determines that any provision of the agreement that requires the Company to take or not take any action, whether as a

direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Takeover Code, that provision shall have no effect and shall be disregarded.

The Restructuring Agreement also contains certain lock-in arrangements in connection with the Ordinary Shares and Notes held by the Shareholders and Note Holders who are a party to the Restructuring Agreement. The lock-in arrangements prevent the Shareholders and Note Holders from transferring their Ordinary Shares and Notes (as applicable), save in certain specified circumstances, until the Restructuring has been successfully completed or until the Restructuring Agreement has otherwise been terminated in accordance with its terms.

The Restructuring Agreement may be terminated in certain circumstances including, *inter alia*, (i) in the event of a party failing to comply with its undertakings under the agreement which results in a material adverse effect to the Group; (ii) the receipt of an order of a governmental body or court of competent jurisdiction restraining or otherwise preventing the implementation of the Restructuring; or (iii) by mutual agreement of the Company and any two or more consenting creditors who together hold, or who advise, manage or act on behalf of holders of the 2021 Notes and the 2023 Notes with an aggregate principal value of more than 55 per cent. of the aggregate principal amount of 2021 Notes and the 2023 Notes in issue.

In addition, certain parties have entered into deeds of accession pursuant to which they have agreed to be bound by the terms of the Restructuring Agreement in their capacity as Shareholders and Note Holders (as applicable) for the purposes of the Restructuring Agreement, as follows:

(i) an accession deed dated 13 December 2017 between (1) the Company and (2) Robus Capital Management Limited;

(ii) an accession deed dated 13 December 2017 between (1) the Company and (2) M&G Investment Management Limited:

(iii) an accession deed dated 9 January 2018 between (1) the Company and (2) KKR TFO Partners L.P.;

(iv) an accession deed dated 9 January 2018 between (1) the Company and (2) Tactical Value SPN-Apex Credit L.P.;

(v) an accession deed dated 9 January 2018 between (1) the Company and (2) Polar Bear Fund LP; and

(vi) an accession deed dated 16 January 2018 between (1) the Company and (2) Tennenbaum Capital Partners, LLC.

(c) The 2023 Notes are governed by an indenture, dated as of 3 October 2013, as amended and restated as of 23 March 2017, and as further supplemented by a first supplemental indenture, dated as of 30 June 2017, a second supplemental indenture, dated as of 27 October 2017, a third supplemental indenture, dated as of 8 February 2018 and a fourth supplemental indenture, dated as of 8 February 2018, by and among, *inter alios*, the Company, the guarantors named therein (the **''Guarantors''**), The Bank of New York Mellon, London Branch, as trustee (the **''Trustee''**) and security agent (the **''Security Agent''**), and Wilmington Trust (London) Limited (the **''Secondary Security Agent''** and, together with the Security Agent, the **''Security Agents''**).

The 2023 Notes consist of 12%/17.5% Senior Secured Notes due in 2023. The maturity date of the 2023 Notes is 1 October 2023. Interest on the 2023 Notes is payable semi-annually in arrears on 1 April and 1 October each year at 12% cash/17.5% PIK. This level of interest is subject to a margin increase through 1 October 2018 of up to 2.5% if certain minimum consolidated LTM EBITDA thresholds described in the 2023 Notes Indenture are not met. The Company is eligible to pay PIK interest for the 1 April 2018 interest payment if the relevant minimum cash balance threshold described in the 2023 Notes Indenture is not met. All remaining interest payments must be paid in cash.

The 2023 Notes are secured by third-priority security interests in the shared collateral with the 2021 Notes and the Super Senior Facility and subject to the terms of the Intercreditor Agreement. At any time and from time to time, the Company may on any

one or more occasions redeem all or a portion of the 2023 Notes at a redemption price equal to 100% of the principal amount of the 2023 Notes plus the applicable "make-whole" premium described in the 2023 Notes Indenture plus accrued and unpaid interest to (but not including) the redemption date. The Change of Control put is 101%. The 2023 Notes are subject to customary events of default, with a cross-default to the 2021 Notes Indenture and the Super Senior Facility.

The 2023 Notes Indenture contains certain market standard covenants with respect to the Company and its restricted subsidiaries (including the Guarantors). The 2023 Notes Indenture is governed by and construed in accordance with New York law.

It is intended that the 2023 Notes will be exchanged for the Exchange Shares pursuant to the Debt for Equity Swap, as further described in paragraph A of Part II of this document.

(d) The 2021 Notes are governed by an indenture, dated as of 26 January 2017, as amended and restated as of 23 March 2017, and as further supplemented by a first supplemental indenture, dated as of 29 June 2017, a second supplemental indenture, dated as of 30 June 2017, a third supplemental indenture, dated as of 27 October 2017, a fourth supplemental indenture, dated as of 8 February 2018, and a fifth supplemental indenture, dated as of 8 February 2018, and to be amended further by a sixth supplemental indenture, by and among, *inter alios*, the Company, the Guarantors, the Trustee and the Security Agents. When the 8 February 2018 fifth supplemental indenture becomes operative on the Restructuring Effective Date, the 2021 Notes will become 9% Senior Secured Notes due 2022 (the **"2022 Notes"**). The maturity date of the 2022 Notes will be 1 October 2022.

Interest on the 2022 Notes is payable semi-annually in arrears on April 1 and October 1 of each year at 9% cash/9% PIK, to be paid as PIK interest if the Company does not have sufficient cash to satisfy the applicable interest coupon. The 2022 Notes are secured by second-priority security interests in the shared collateral with the 2023 Notes and the Super Senior Facility and subject to the terms of the Intercreditor Agreement.

At any time and from time to time, the Company may on any one or more occasions redeem all or a portion of the 2022 Notes at a redemption price equal to 100% of the principal amount of 2022 Notes plus the applicable "make-whole" premium described in the 2021 Notes Indenture (as amended by the fifth supplemental indenture) plus accrued and unpaid interest to (but not including) the redemption date. The Change of Control put is 101%. The 2022 Notes are subject to customary events of default provisions, with a cross-default to the Super Senior Facility.

The 2021 Notes Indenture (as amended and restated from time to time) contains certain market standard covenants with respect to the Company and its restricted subsidiaries (including the Guarantors). The 2021 Notes Indenture is governed by and construed in accordance with New York law.

(e) The Super Senior Facility dated 15 June 2017, was made between (1) the Company, (2) the original guarantors to the preceding facility agreement, (3) the original lenders to the preceding facility agreement, (4) Elavon Financial Services DAC, UK Branch (as agent of the finance parties), (5) the Bank of New York Mellon, London Branch (as primary security agent) and (6) Wilmington Trust (London) Limited (as secondary security agent).

The Company may borrow up to US$132.5 million under the Super Senior Facility. The Guarantors are the same as the guarantors under the Notes. The maturity date of the Super Senior Facility is the third anniversary of the date of first utilisation. The Super Senior Facility is secured on a super senior, first-priority basis with security interests in the shared collateral with the Notes and subject to the terms of the Intercreditor Agreement.

Interest under the Super Senior Facility is 7.50% per annum payable semi-annually (plus 3% default interest per annum payable on any overdue amount) or 10.5% per annum for every day that an event of default relating to the asset sale covenant or cross-default to the 2021 Notes Indenture or 2023 Notes Indenture is continuing. The Company may optionally prepay the Super Senior Facility on five business days' notice in whole or in part (but, if in part, subject to a minimum amount of US$1.0 million). Optional

prepayments (and repayments following acceleration) of the Super Senior Facility within 21 months of the date of first utilisation of the Super Senior Facility will be subject to a make-whole premium equal to the net present value of the interest which would have been payable on the amount prepaid (or repaid following acceleration) during such 21 month period. The discount rate used to calculate the net present value is the same rate as used to calculate any ''make-whole'' premium under the 2021 Notes Indenture and the 2023 Notes Indenture.

Upon the occurrence of certain events constituting a Change of Control (which is defined in the Super Senior Facility in a manner substantially similar to the definition of ''Change of Control'' under the 2021 Notes Indenture and the 2023 Notes Indenture), the Company will be required to make an offer to each lender to prepay the loan(s) made under the Super Senior Facility in cash in an amount equal to 101% of the aggregate principal amount of the loan(s) prepaid, plus accrued and unpaid interest on the amount of the loan(s) prepaid to (but not including) the date of prepayment.

Within 30 days after the receipt of any Net Proceeds from an Asset Sale or Event of Loss Proceeds (each as defined in the Super Senior Facility) equal to or greater than US$1.0 million, the Company will be required to make an offer to each lender to prepay the loan(s) made under the Super Senior Facility at an offer price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the date of prepayment, subject to the maintenance of a minimum cash balance substantially similar to the Asset Sale Offer Minimum Cash Balance (as defined in the 2021 Notes Indenture and 2023 Notes Indenture). During the period in which PIK interest is payable on the Notes (the **''PIK Period''**), the Company will not have the ability to accrue and retain amounts in respect of coupons payable pursuant to any other debt prior to prepayment of the Super Senior Facility in accordance with the terms of the Super Senior Facility and the Intercreditor Agreement. Outside of the PIK Period, if after prepayment of the Super Senior Facility and the Notes the Company would have an Asset Sale Offer Minimum Cash Balance of less than US$20.0 million, it may retain such Asset Sale / Event of Loss Proceeds (up to US$20.0 million over the life of the Super Senior Facility) such that the Asset Sale Offer Minimum Cash Balance would be US$20,000,000.

The Super Senior Facility contains certain market standard covenants with respect to the Company and its restricted subsidiaries (including the Guarantors).

The Super Senior Facility is subject to customary events of default, which are substantially similar to the events of default contained in the 2021 Notes Indenture and 2023 Notes Indenture. The Super Senior Facility and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with English law, save that the covenants, representations, warranties and events of default will be interpreted in accordance with New York law.

6.2 Solus has confirmed to the Company that it does not have any material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Solus within the period of two years immediately preceding the date of this document.

7. No significant change

There has been no known significant change in the financial or trading position of the Group since 30 June 2017 (the date to which the Group's latest published audited accounts were prepared).

8. Consent

(a) Cenkos has given and has not withdrawn its consent to the inclusion of its name and references to it in this document in the form and context in which they appear.

(b) Each of KPMG and Cenkos has given and not withdrawn its written consent to the inclusion of its report on the Profit Forecast in the form and context in which it is included.

9. Market quotations

The following table shows the closing middle market quotations of the Ordinary Shares, as derived from the AIM Appendix of the London Stock Exchange Daily Official List, for the following days:

(a) the first business day in each of the six months immediately prior to the date of this document; and

(b) for 6 April 2018, being the latest practicable business day prior to the publication of this document:

Date	*Price per Ordinary Share*
6 April 2018	10.88 pence
3 April 2018	11.80 pence
1 March 2018	13.00 pence
1 February 2018	9.10 pence
2 January 2018	8.45 pence
1 December 2017	6.30 pence
1 November 2017	6.78 pence

10. Ratings

As at the date of this document, the Company and Solus had no ratings and outlooks publicly accorded to them by ratings agencies.

11. Financial information incorporated by reference

The following sets out the financial information in respect of the Company and Solus as required by Rule 24.3 of the Takeover Code.

11.1 ***Financial information on Avanti***

The documents referred to below, the contents of which have been previously announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

Audited consolidated accounts of the Group

- The audited consolidated accounts of the Group for the financial period ended on 30 June 2017 are set out on pages 31 to 86 (inclusive) of the annual report and accounts of the Group for the financial period ended on 30 June 2017 available free of charge on the Company's website: http://www.avantiplc.com/wp-content/uploads/2017/12/21686_Avanti_AR_2017_171208_v3-4-LIVE-FINAL-7.pdf
- The audited consolidated accounts of the Group for the financial year ended on 30 June 2016 are set out on pages 28 to 71 (inclusive) of the annual report and accounts of the Group for the financial year ended on 30 June 2016 available free of charge on the Company's website http://www.avantiplc.com/wp-content/uploads/2016/08/Annual_Report__Accounts_2016.pdf
- The half-year report for the six months ended 31 December 2017 available free of charge on the Company's website http://www.avantiplc.com/news/2018-first-half-results/

11.2 ***Financial information on Solus***

The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code:

- Form ADV Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisers for Solus Alternative Asset Management LP dated 29 March 2018 available free of charge on the Company's website: http://www.Avantiplc.com/investors/.

If you are reading this document in hard copy form, please enter one of the web addresses above in your web browser to be taken to the relevant document. If you are reading this document in electronic form, please click on the relevant web address above to be taken to the relevant document.

The above Annual Reports and Accounts are available in ''read-only'' format and can be printed from the Company's website. The Company will provide within two business days, without charge, to each person to whom a copy of this document has been sent, upon their written or verbal request, a hard copy of any information incorporated by reference in this document. Copies of any information incorporated by reference in this document will not be provided unless such a request is made.

Requests for copies of any such document should be directed to the Company at its registered office, Cobham House, 20 Black Friars Lane, London EC4V 6EB, United Kingdom or by telephone at +44 20 7749 1600 on Monday to Friday (other than UK public holidays).

12. Miscellaneous

(a) The Company is a public company limited by shares and incorporated in England and Wales under the Companies Act 1985 with registered number 06133927. The registered office of the Company is Cobham House, 20 Black Friars Lane, London EC4V 6EB.

(b) There are no incentivisation arrangements proposed between members of the Company's management who are interested in Ordinary Shares and Solus following completion of the Restructuring and Open Offer.

(c) The Company has agreed to pay the fees and expenses of Solus Alternative Asset Management LP, Tennenbaum Capital Partners, LLC and Great Elm Capital Management, Inc.'s professional advisers in connection with the negotiation and implementation of the Restructuring.

13. Bases and sources

(a) The value of the fully diluted share capital of Avanti is calculated on the basis of 162,135,949 Ordinary Shares in issue on 6 April 2018 (being the last business day prior to the publication of this document).

(b) Unless otherwise stated:

(i) all share prices are derived from the AIM Appendix of the Daily Official List; and

(ii) all prices quoted for Ordinary Shares are Closing Prices.

14. Documents on display

Copies of the following documents have been published on the Company's website at http://www.Avantiplc.com/investors/, and will be available until Admission:

(a) the memorandum and articles of association of the Company;

(b) the incorporation document of Solus;

(c) the annual report and accounts of the Company for the years ended 30 June 2016 and 30 June 2017 and the half-year report for the six months ended 31 December 2017;

(d) Form ADV Uniform Application for Investment Adviser Registration and Report by Exempt Reporting Advisers for Solus Alternative Asset Management LP dated 29 March 2018;

(e) the consent letters referred to in paragraph 8 above;

(f) the material contracts referred to in paragraph 6.1 above;

(g) each of KPMG's and Cenkos' reports on the Profit Forecast; and

(h) this document.

NOTICE OF GENERAL MEETING

Avanti Communications Group plc

(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 06133927)

NOTICE IS HEREBY GIVEN THAT a general meeting of Avanti Communications Group plc (the **''Company''**) will be held at The Bridewell Suite, Crowne Plaza London – The City, 19 New Bridge Street, London EC4V 6DB at 10.00 a.m. on 25 April 2018 to consider and, if thought fit, to pass the following resolutions of which resolutions 1, 2 and 4 will be proposed as ordinary resolutions of the Company and resolutions 3 and 5 will be proposed as special resolutions of the Company. Resolution 1 will be taken on a poll of Independent Shareholders (as defined in the circular to shareholders of the Company dated 9 April 2018 (the **''Circular''**)) as required by the City Code on Takeovers and Mergers.

IMPORTANT NOTE: Shareholders who are also holders of the 12%/17.5% Senior Secured Notes due 2023 issued by the Company are not entitled to vote on Resolution 1. All Shareholders are entitled to vote on Resolutions 2, 3, 4 and 5.

ORDINARY RESOLUTION

1. THAT, the waiver granted by the Panel on Takeovers and Mergers of the obligations which would otherwise arise on Solus (as described and as such term is defined in the Circular) to make a general offer to the Shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers as a result of the issue to any of the Solus Funds of new Ordinary Shares in the Company pursuant to their participation in the Debt for Equity Swap and/or the Open Offer (as such terms are defined and described in the Circular) be and is hereby approved by the Independent Shareholders (as defined in the Circular) on a poll.

ORDINARY RESOLUTION

2. THAT, conditional upon the passing of Resolutions 1 and 3 and in substitution for any existing authorities and powers granted to the directors pursuant to section 551 of the Companies Act 2006 (the **''Act''**) prior to the date of the passing of this resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being **''relevant securities''**) provided that this authority shall be limited to the allotment of up to 1,999,676,704 new ordinary shares of one penny each in the capital of the Company in connection with the Debt for Equity Swap (as such term is defined in the Circular) and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 18 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

3. THAT, conditional upon the passing of Resolutions 1 and 2 and in substitution for any existing authorities and powers given to the directors pursuant to section 570 of the Act prior to the passing of this resolution, the directors be and they are empowered pursuant to section 570(1) and 571(1) of the Act, as applicable, to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 2, and/or where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act, as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to the allotment of 1,999,676,704 new ordinary shares of one penny each in the capital of the Company in connection with the Debt for Equity Swap and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted under this authority after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

ORDINARY RESOLUTION

4. THAT, conditional upon the passing of Resolutions 1, 2, 3 and 5 and in addition to the authorities and powers granted to the directors pursuant Resolution 2, the directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being **''relevant securities''**) provided that this authority shall be limited to:

   (a) the allotment of up to 38,603,797 new ordinary shares of one penny each in the capital of the Company in connection with the Open Offer (as such term is defined in the Circular); and

   (b) the allotment (otherwise pursuant to sub-paragraph (a) above) of relevant securities up to an aggregate nominal amount of £7,334,721.50,

   and unless previously renewed, revoked, varied or extended, this authority shall expire at the earlier of the date which is 18 months from the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

5. THAT, conditional upon the passing of Resolutions 1, 2, 3 and 4 and in addition to the authorities and powers granted to the directors pursuant Resolution 3, the directors be and they are empowered pursuant to section 570(1) and 571(1) of the Act, as applicable, to allot equity securities (as defined in section 560 of the Act) of the Company for cash pursuant to the authority of the directors under section 551 of the Act conferred by Resolution 4, and/or where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act, as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

   (a) the allotment of 38,603,797 new ordinary shares of one penny each in the capital of the Company in connection with the Open Offer;

   (b) the allotment of equity securities in connection with an invitation or offer of equity securities to the holders of ordinary shares in the capital of the Company (excluding any shares held by the Company as treasury shares (as defined in section 724(5) of the Act)) on a fixed record date in proportion (as nearly as practicable) to their respective holdings of such shares or in accordance with the rights attached to such shares (but subject to such exclusions or other arrangements as the directors may deem necessary

or expedient in relation to fractional entitlements or as a result of legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); and

(c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal value equal to £1,100,208.23,

and unless previously renewed, revoked, varied or extended this power shall expire on the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted under this authority after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Dated: 9 April 2018

Registered Office:
Cobham House
20 Black Friars Lane
London EC4V 6EB

By order of the Board:
Patrick Willcocks
Company Secretary

Notes:

1. A member who is entitled to attend, speak and vote at the meeting may appoint a proxy to attend, speak and vote instead of him. A proxy need not be a member of the Company but must attend the meeting in order to represent you. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A Form of Proxy accompanies this document. The notes to the Form of Proxy include instructions on how to appoint the chairman of the meeting or another person as a proxy and how to appoint a proxy electronically or by using the CREST proxy appointment service. To be valid the Form of Proxy must reach the Company's registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, United Kingdom by 10.00 a.m. on 23 April 2018 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).
2. Relevant documents are available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday, Sunday and public holidays excluded) from the date of this notice until the meeting and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
3. Pursuant to Part 13 of the Companies Act 2006 and to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company at 6.00 p.m. on 6 April 2018 (or, if the meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Members can submit a proxy form electronically with the Company' Registrars at www.sharegateway.co.uk using the Shareholders personal proxy registration code as shown on the Form of Proxy.
5. If you submit your proxy form via the internet it should reach the registrar by 10.00 a.m. on 23 April 2018. Should you complete your proxy form electronically and then post a hard copy, the form that arrives last will be counted to the exclusion of instructions received earlier, whether electronic or posted. Please refer to the terms and conditions of the service on the website.
6. The notes to the proxy form include instructions on how to appoint a proxy by using the CREST proxy appointment service.
7. You may not use any electronic address provided either in this Notice of General Meeting or in any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
8. CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the General Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) by the latest time(s) for receipt of proxy appointments specified in Note 5 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual (available at www.euroclear.com/CREST) concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
12. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
13. The following information is available at www.Avantiplc.com/investors/: (1) the matters set out in this Notice of General Meeting; (2) the total numbers of shares in the Company, and shares in each class, in respect of which members are entitled to exercise voting rights at the meeting, (3) the totals of the voting rights that members are entitled to exercise at the meeting, in respect of the shares of each class; and (4) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which notice of the meeting was given.
14. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in note 1 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
15. If a member has exercised the right, pursuant to the Company's articles of association and section 145 of the Companies Act 2006, to nominate another person to exercise the right to attend, speak or vote at the meeting or appoint a proxy for the meeting, then that nominee shall have those rights to the exclusion of the member.
16. Members attending the meeting have the right to ask any questions relating to the business being dealt with at the meeting.
17. As at 6.00 p.m. on 6 April 2018, the Company's issued share capital comprised 162,135,949 ordinary shares of 1 penny nominal value each. Each ordinary share carries the right to one vote at a general meeting of the Company. No ordinary shares were held in treasury and accordingly the total number of voting rights in the Company as at 6.00 p.m. on 6 April 2018 is 162,135,949.
18. As required by the Panel on Takeovers and Mergers, voting on Resolution 1 will be conducted by way of a poll rather than a show of hands and each Independent Shareholder will be entitled to one vote for each ordinary share held. Solus (voting on behalf of the Solus Funds as Shareholders), Great Elm Capital Management, Inc. (voting as investment manager on behalf of its underlying funds), Tennenbaum Capital Partners, LLC (voting as investment manager on behalf of its underlying funds) and any other Shareholders who are also holders of the 12%/17.5% Senior Secured Notes due 2023 issued by the Company (who,

in each case, are deemed to be non-independent shareholders due to their participation in the Debt for Equity Swap) will not be entitled to vote on Resolution 1. Capitalised terms have the meaning given to them in the Circular.