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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE NOR AS TO THE TERMS ON WHICH ANY FIRM OFFER MIGHT BE MADE.

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION
FOR IMMEDIATE RELEASE**

21 December 2020

Signature Aviation plc

Update on possible offer announcement

The Board of Signature Aviation plc ("Signature" or "the Company") announces the following update on the status of its discussions with Blackstone Infrastructure Advisors L.L.C. and Blackstone Core Equity Management Associates L.L.C. (together "Blackstone") regarding a possible cash offer of \$5.17 per Signature share (which equates to £3.86 per share based on a Bloomberg GBP:USD FX rate of 1:1.34 as at 21 December 2020) for the entire issued, and to be issued, ordinary share capital of Signature to be implemented by means of a scheme of arrangement (the "Blackstone Proposal").

The Blackstone Proposal was the sixth proposal the Board of Signature received from Blackstone. The first was made in February 2020. Having considered the terms of the Blackstone Proposal, the Board of Signature has indicated to Blackstone that it would currently be minded to recommend a firm offer for Signature at the price set out in the Blackstone Proposal.

The terms of the Blackstone Proposal represent:

- a premium of approximately 44 per cent. to the Closing Price of 268 pence per Signature Share on 16 December 2020 (being the last Business Day before the commencement of the offer period);
- a premium of approximately 55 per cent. to the volume-weighted average price of 249 pence per Signature Share for the three-month period ended 16 December 2020 (being the last Business Day before the commencement of the offer period); and
- an enterprise value multiple of approximately 14.9x Signature's pre-IFRS 16 continuing group adjusted EBITDA for the year ending 31 December 2019 of \$348.7 million.

Discussions between the parties remain ongoing. A further announcement will be made as and when appropriate. There can be no certainty that any offer will be made nor as to the terms of any offer. Shareholders are advised to take no action with regard to the matters described in this announcement.

This statement is being made by Signature without the prior agreement or approval of Blackstone.

In accordance with Rule 2.6(a) of the Code, Blackstone and Global Infrastructure Partners are required, by no later than 5.00 p.m. (London time) on 14 January 2021, to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that they do not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Takeover Panel (the "Panel") in accordance with Rule 2.6(c) of the Code.

The person responsible for arranging for the release of this announcement on behalf of Signature is David Blizzard.

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Disclaimer

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Rule 26.1 Disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.signatureaviation.com, by no later than 12 noon (London time) on 22 December 2020. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Sources and bases

The pre-IFRS 16 continuing group adjusted EBITDA multiple of 14.9x implied by the Acquisition is calculated based on a Fully Diluted Enterprise Value of \$5,194 million; and 2019 pre-IFRS 16 continuing group adjusted EBITDA of \$348.7 million (as reported at 31 December 2019).

The Fully Diluted Enterprise Value of \$5,194 million is made up of: (a) \$4,338 million fully diluted equity value (based on \$5.17 offer price and a fully diluted ordinary share count of 839 million); (b) \$1,017 million net financial debt (pre-IFRS 16 on a bank covenant basis); (c) \$47 million IAS 19 pre-tax adjustment pension deficit; (d) \$1 million non-controlling interests; and (e) \$0.3 million of 5% cumulative preference £1 shares (as reported 31 December 2019 and including the 12.5p winding up cost); (f) excluding \$209 million of fair value less cost to sell of ERO. All as reported at 30 June 2020 except preference shares which are as of 31 December 2019.