

IMPORTANT NOTICE

IMPORTANT: You must read the following terms and conditions before continuing. The following terms and conditions apply to the attached document relating to easyJet plc (the “**Company**”) dated 9 September 2021 (the “**document**” or “**Prospectus**”) and you are required to read them carefully before accessing or making any other use of the attached document. In accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications made to them from time to time by the Company. You acknowledge that the delivery of this electronic transmission and the attached document is confidential and intended for specific recipients only and you agree that you may not, nor are you authorised to, copy, refer to or reproduce the document in whole or in part in any manner whatsoever or deliver, distribute or forward the document or disclose any of its contents to any other person. Failure to comply with this directive may result in a violation of the US Securities Act of 1933, as amended (the “**US Securities Act**”), or the applicable laws of other jurisdictions. If you are not the intended recipient of this document, you must disregard it.

This electronic transmission and the Prospectus have been prepared in connection with, amongst other things: (i) the proposed rights issue by the Company of new ordinary shares (the “**New Shares**”) to existing shareholders of the Company (the “**Rights Issue**”); and (ii) the proposed applications to the Financial Conduct Authority (the “**FCA**”) and the London Stock Exchange plc (“**LSE**”) for admission of the New Shares to the premium listing segment of the Official List of the FCA (the “**Official List**”) and to trading on the LSE’s main market for listed securities (the “**Main Market**”) (together, “**Admission**”). The Prospectus has been published in connection with the Rights Issue and Admission, and is available on the Company’s website at <https://corporate.easyjet.com/investors/rights-issue>. Prospective investors are advised to read the Prospectus prior to making an investment decision.

NOTHING IN THIS ELECTRONIC TRANSMISSION OR THE ATTACHED DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO, AND IN PARTICULAR, IS NOT FOR DISTRIBUTION IN THE UNITED STATES (SUBJECT TO CERTAIN LIMITED EXCEPTIONS), AUSTRALIA, CANADA (SUBJECT TO CERTAIN LIMITED EXCEPTIONS), JAPAN, NEW ZEALAND, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION (THE “**EXCLUDED TERRITORIES**”). THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, 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. THERE WILL BE NO PUBLIC OFFERING OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE SECURITIES OR THE ACCURACY OR ADEQUACY OF THE ATTACHED DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

To the extent that any of the Company’s representatives and/or advisers, including the Banks (as defined below) are registered Financial Services Providers, none of them purport to provide, market or advertise financial services to any person in respect of the Company and this electronic transmission and the attached document does not constitute financial advice, or financial services, provided by the aforesaid to any person who is in possession of this electronic transmission and the attached document.

This electronic transmission and the attached document and the offer of New Shares when made are only addressed to and directed at persons in the United Kingdom who are “qualified investors” within the meaning of Article 2(e) of the UK version of the Prospectus Regulation (Regulation (EU) 2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended and supplemented (the “**UK Prospectus Regulation**”), who (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) falling within Article 49(2)(a) to (d) of the Order or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). This electronic transmission and the attached document and the offer of New Shares when made are only addressed to and directed at

persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (the “**Prospectus Regulation**”) (“**Qualified Investors**”). This electronic transmission and the attached document must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons and (ii) in any member state of the European Economic Area, by persons who are not Qualified Investors).

Confirmation of your representation: You have been sent this electronic transmission and the attached document on the basis that you are deemed to have represented to the Company, and each of BNP Paribas (“**BNP Paribas**”), Credit Suisse International (“**Credit Suisse**”), Goldman Sachs International (“**Goldman Sachs**”), Banco Santander, S.A. (“**Santander**”), Société Générale (“**Société Générale**”) and Greenhill & Co. International LLP (“**Greenhill**”) (together, the “**Banks**”) that: (i) you have read, understood and agree to be bound by the terms and conditions set out herein; (ii) you are (a) in the United States and a “qualified institutional buyer” as defined in Rule 144A under the US Securities Act (a “**QIB**”) that proposes to acquire securities for their own account or for the account or benefit of another QIB or (b) acting on behalf of, or are, an institutional investor outside the United States and the e-mail address to which this electronic transmission and the attached document have been delivered is not located in the United States; (iii) if you are in the United Kingdom, you are a relevant person; (iv) if you are in any member state of the EEA, you are a Qualified Investor and/or a Qualified Investor acting on behalf of Qualified Investors to the extent you are acting on behalf of persons or entities in the EEA; and (v) if you are outside the United States, the United Kingdom and the EEA (and the e-mail addresses that you gave us and to which the Prospectus has been delivered are not located in such jurisdictions) you are a person into whose possession the Prospectus may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

The attached document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission. Your receipt of the attached document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

None of the Company, any of its directors, officers, employees or agents, or any affiliate of such person accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy that may be provided to you at a later date. A hard copy of the attached document will be made available to intended recipients only upon request.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither the Banks nor any of their respective subsidiaries, branches or affiliates, accept any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company as to the contents of this electronic transmission or the attached document or makes any representation or warranty, express or implied, as to the contents of this electronic transmission or the attached document, including its accuracy, completeness, verification or sufficiency or for any other statement made or purported to be made by it, or on its behalf and nothing in this electronic transmission or the attached document will be relied upon as a promise or representation in this respect, whether or not as to the past or future. The Banks and their respective subsidiaries, branches and affiliates accordingly disclaim all and any duty, liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this electronic transmission or attached document or any such statement or otherwise.

BNP Paribas is authorised and regulated by the European Central Bank (“**ECB**”) and the Autorité de Contrôle Prudentiel et de Résolution (“**ACPR**”). BNP Paribas London Branch is authorised by the Prudential Regulation Authority (“**PRA**”) with deemed permissions under the temporary permissions regime as prescribed under The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018 (the “**Temporary Permissions Regime**”). BNP Paribas London Branch is subject to regulation by the FCA and limited regulation by the PRA. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the United Kingdom for a limited period while seeking full authorisation, are available on the Financial Conduct Authority’s website. BNP Paribas London Branch is registered in England and Wales under number FC13447. Registered office in the United Kingdom: 10 Harewood Avenue, London NW1 6AA. Each of BNP Paribas and BNP Paribas London Branch is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the

Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Credit Suisse is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA. Credit Suisse is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Goldman Sachs is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA. Goldman Sachs is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Santander is authorised and regulated by the Bank of Spain and subject to supervision by the Bank of Spain and by the ECB and to limited regulation by the FCA and the PRA. Santander is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Société Générale is a French credit institution (bank) authorised and supervised by the ECB and ACPR and regulated by the Autorité des Marchés Financiers (the French financial markets regulator) (“AMF”). Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority’s website, and further details about the extent of Société Générale’s authorisation, supervision and regulation by the above-mentioned authorities are available from Société Générale on request. Société Générale is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Greenhill is authorised and regulated in the United Kingdom by the FCA. Greenhill is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

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

This document comprises a prospectus (the "document" or "Prospectus") for the purposes of Article 3 of the UK version of the Prospectus Regulation (Regulation (EU) 2017/1129), which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended and supplemented (the "UK Prospectus Regulation"), relating to easyJet plc ("easyJet" or the "Company" and, together with its subsidiaries, the "Group") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "FCA") made under Section 73A of the FSMA (the "Prospectus Regulation Rules"). This prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation; such approval should not be considered as an endorsement of the Company that is, or of the quality of the securities that are, the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the New Shares.

This document has been filed with the FCA in accordance with the Prospectus Regulation Rules, and will be made available to the public in accordance with Rule 3.2 of the UK Prospectus Regulation, free of charge, at the Company's website at <https://corporate.easyjet.com/investors/rights-issue>.

The distribution of this document, any other offering or publicity material relating to the Rights Issue, the Provisional Allotment Letter or the CSN Form of Instruction and the transfer of the Securities into jurisdictions other than the United Kingdom may be restricted by law and, therefore, persons into whose possession this document (and any accompanying documents) comes should inform themselves about and observe any such restrictions. The Securities are not transferable except in accordance with the restrictions set out in paragraph 8 of Part IX (*Terms and Conditions of the Rights Issue*) of this document. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this document and the Provisional Allotment Letter, the CSN Form of Instruction and any other related documents, should not be distributed, forwarded to or transmitted in or into any of the Excluded Territories (as defined below).

The Company and the Directors whose names appear in Part IV (*Directors, Company Secretary, Registered Office and Advisers*) of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

You should read this entire document and the information incorporated by reference into this document in full. Shareholders and any other persons contemplating a purchase of New Shares should read in particular Part II (*Risk Factors*) for a discussion of certain risks and other factors that should be considered when deciding on what action to take in relation to the Rights Issue or deciding whether or not to subscribe for New Shares.

easyJet plc

(Incorporated and registered in England and Wales with registered number 03959649)
ISIN (Existing Shares): GB00B7KR2P84 LEI: 2138001S47XKWIB7TH90

31 for 47 Rights Issue of 301,260,394 New Shares at 410 pence per New Share

BNP PARIBAS

*Joint Global Coordinator, Joint Bookrunner,
Joint Underwriter and Joint Corporate
Broker*

Credit Suisse

*Joint Global Coordinator, Joint Bookrunner,
Joint Underwriter and Joint Corporate
Broker*

Goldman Sachs International

*Joint Global Coordinator, Joint Bookrunner
and Joint Underwriter*

Banco Santander

Joint Bookrunner and Joint Underwriter

Société Générale

Joint Bookrunner and Joint Underwriter

BNP PARIBAS, London Branch

Joint Sponsor

Greenhill

Joint Sponsor and Financial Adviser

Subject to the restrictions below, if you sell or transfer or have sold or have otherwise transferred all of your Existing Shares held in certificated form (other than ex-Rights) before 8:00 a.m. (London time) on 13 September 2021 (the "Ex-Rights Date"), please send this document and any Provisional Allotment Letter, duly renounced, if and when received, at once 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 except that such documents should not be sent in or into any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, any of the United States (subject to certain limited exceptions), Australia, Canada (subject to certain limited exceptions), Japan, New Zealand, South Africa or any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation (the "Excluded Territories"). If you are a Shareholder who holds Shares in certificated form and you sell or transfer or have sold or have otherwise transferred only part of your holding of Existing Shares held in certificated form (other than ex-Rights) before the Ex-Rights Date, you should immediately consult the bank, stockbroker or other agent through whom the sale or transfer was effected and refer to the instructions regarding split applications in paragraph 4.11 of Part IX (*Terms and Conditions of the Rights Issue*) of this document and in the Provisional Allotment Letter. If you are a Shareholder who holds Shares in uncertificated form and you sell or transfer or have sold or have otherwise transferred all or some of your Existing Shares (other than ex-Rights) held in uncertificated form before the Ex-Rights Date, a claim transaction will automatically be generated by Euroclear UK and Ireland ("Euroclear") which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee.

Qualifying CREST Shareholders will have their Nil Paid Rights credited to their stock accounts in CREST. Qualifying Non-CREST Shareholders will be sent a Provisional Allotment Letter or CSN Form of Instruction (representing their entitlement to Nil Paid Rights). The Nil Paid Rights will not be admitted to trading on any exchange other than the LSE.

The Existing Shares have been admitted to the premium listing segment of the Official List of the FCA (the “**Official List**”) and to trading on the LSE’s main market for listed securities (the “**Main Market**”). Applications have been made to the FCA for the New Shares to be admitted to the premium listing segment of the Official List and to the LSE for the New Shares to be admitted to trading on the Main Market. It is expected that Admission of the New Shares will become effective and that dealings in the New Shares (nil paid) will commence by 8:00 a.m. (London time) on 13 September 2021 and in the New Shares (fully paid) by 8:00 a.m. (London time) on 28 September 2021.

Investors should only rely on the information contained in this document and any documents incorporated herein by reference. No person has been authorised to give any information or make any representations other than those contained in this document and any document incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been so authorised. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

No application has been or is currently intended to be made for the New Shares to be admitted to listing or trading on any other exchange. The New Shares issued by the Company pursuant to the Rights Issue will rank *pari passu* in all respects with each other.

The latest time and date for acceptance and payment in full in respect of the Rights Issue by Qualifying Shareholders is expected to be 11:00 a.m. (London time) on 27 September 2021, unless otherwise announced by the Company. The procedures for acceptance and payment are set out in Part IX (*Terms and Conditions of the Rights Issue*) of this document for Qualifying Non-CREST Shareholders (other than, subject to certain exceptions as set out in paragraph 4 of Part IX (*Terms and Conditions of the Rights Issue*) of this document, Shareholders with a registered address in any of the Excluded Territories) and in the Provisional Allotment Letter or CSN Form of Instruction (as applicable). Qualifying CREST Shareholders should refer to paragraph 4 of Part IX (*Terms and Conditions of the Rights Issue*) of this document titled “Action to be taken by Qualifying CREST Shareholders in relation to Nil Paid Rights and Fully Paid Rights in CREST”.

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Credit Suisse is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA. Credit Suisse is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Goldman Sachs is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the FCA and the PRA. Goldman Sachs is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Santander is authorised and regulated by the Bank of Spain and subject to supervision by the Bank of Spain and by the ECB and to limited regulation by the FCA and the PRA. Santander is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Société Générale is a French credit institution (bank) authorised and supervised by the ECB and ACPR and regulated by the Autorité des Marchés Financiers (the French financial markets regulator) (“**AMF**”). Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority’s website, and further details about the extent of Société Générale’s authorisation, supervision and regulation by the above-mentioned authorities are available from Société Générale on request. Société Générale is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

Greenhill is authorised and regulated in the United Kingdom by the FCA. Greenhill is acting exclusively for the Company and is acting for no one else in connection with the Rights Issue and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients,

nor for providing advice in connection with the Rights Issue or any other matter, transaction or arrangement referred to in this document.

No action has been or will be taken by BNP Paribas, Credit Suisse, Goldman Sachs, Santander, Société Générale and Greenhill (together, the “**Banks**”) and the Company that would permit possession or distribution of this document or any other material relating to the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters or the CSN Forms of Instruction in any country or jurisdiction where action for that purpose is required, other than in the United Kingdom. This document is not an offer to sell, or the solicitation of an offer to buy or subscribe for New Shares, Nil Paid Rights, Fully Paid Rights, Provisional Allotment Letters or the CSN Forms of Instruction, in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution in or into any of the Excluded Territories.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither the Banks nor any of their respective subsidiaries, branches or affiliates, accept any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company as to the contents of this document, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness, verification or sufficiency or for any other statement made or purported to be made by it, or on its behalf and nothing in this document will be relied upon as a promise or representation in this respect, whether or not as to the past or future. The Banks and their respective subsidiaries, branches and affiliates accordingly disclaim all and any duty, liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this document or any such statement or otherwise.

BNP Paribas, Credit Suisse, Goldman Sachs, Santander and Société Générale (the “**Underwriters**”), in accordance with applicable legal and regulatory provisions and subject to the underwriting and sponsors’ agreement dated 9 September 2021 between, amongst others, the Company and the Underwriters (the “**Underwriting Agreement**”), may engage in transactions in relation to New Shares, Nil Paid Rights, Fully Paid Rights, and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. In connection with the Rights Issue, the Underwriters and any of their respective affiliates, acting as investors for their own accounts may acquire New Shares as a principal position and in that capacity may retain, acquire, purchase, sell, offer to sell or otherwise deal for their own accounts in such New Shares and other securities of the Company or related investments in connection with the Rights Issue or otherwise. Accordingly, references in this document to the New Shares being issued, offered, acquired, placed or otherwise dealt in should be read as including any issue, offer, subscription, acquisition, placing or dealing by each of the Underwriters and any of their affiliates acting as investors for their own accounts. In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for difference) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of New Shares. The Underwriters may also coordinate a sell-down in the event that any underwriting crystallises as a result of the Rights Issue. Except as required by applicable law or regulation, the Underwriters and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

In the event that the Underwriters acquire New Shares which are not taken up by Qualifying Shareholders, the Underwriters may co-ordinate disposals of such shares in accordance with applicable law and regulation. Except as required by applicable law or regulation, the Underwriters and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

Each of the Banks and their respective affiliates may have engaged in transactions with, and provided various commercial banking, investment banking, financial advisory transactions and services in the ordinary course of their business with the Company and/or its affiliates for which they would have received customary fees and commissions. Each of the Banks and their respective affiliates may provide such services to the Company and/or its affiliates in the future.

In the ordinary course of their various business activities, the Banks and their respective affiliates may hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) in the Company, the Group and their respective affiliates for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. In addition, certain of the Banks or their affiliates are, or may in the future be, lenders, and in some cases agents or managers for the lenders, under certain of the Group’s credit facilities and other credit arrangements, or its respective affiliates. In their capacity as lenders, such lenders may, in the future, seek a reduction of a loan commitment to the Company or its respective affiliates, or impose incremental pricing or collateral requirements with respect to such facilities or credit arrangements, in the ordinary course of business. In addition, certain of the Banks or their affiliates that have a lending relationship with the Company may routinely hedge their credit exposure to the Company consistent with their customary risk management policies; a typical hedging strategy.

In making an investment decision, investors must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on the Banks or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document or their investment decision; and (ii) they have relied only on the information contained in this document and the documents (or parts thereof) incorporated herein by reference, and that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the New Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Banks. None of the Company or any of the Banks or any of their respective representatives is making any representation to any offeree or acquirer of the New Shares in the Rights Issue regarding the legality of an investment by such offeree or acquirer under the laws applicable to such offeree or purchaser.

Neither the delivery of this document nor any sale made hereunder shall under any circumstances imply that there has been no change in the Company’s affairs since the date hereof or that the information set forth in this document is correct as of any date subsequent to its date.

NOTICE TO OVERSEAS SHAREHOLDERS

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction and the New Shares have not been and will not be registered under the securities laws of any Excluded Territory (which includes the United States) and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption, from and in compliance with (or in a transaction not subject to), any applicable securities laws. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights, or the New Shares in any of the Excluded Territories.

All Overseas Shareholders, as well as holders of American depository receipts (“**ADRs**”), and any person (including, without limitation, a nominee or trustee) who has a contractual or legal obligation to forward this document, or any Provisional Allotment Letter or CSN Form of Instruction if and when received, or any other document relevant to the Rights Issue, to a jurisdiction outside the United Kingdom should read the information set out in paragraph 8 of Part IX (*Terms and Conditions of the Rights Issue*) of this document.

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction and the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or with any securities regulatory authority or under the relevant laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, into or within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, 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.

A QIB (as defined below) will be permitted to subscribe for the New Shares via the Rights Issue only if the QIB (i) returns a duly completed and executed QIB Investor Letter (the “**QIB Investor Letter**”) containing relevant representations and warranties, including that it and any account for which it is acting is a QIB, to and in accordance with the instructions of its custodian or nominee; and (ii) sends copies of such duly completed and executed QIB Investor Letter to the Company, the Registrar and the Banks. Unless otherwise expressly agreed with the Company, any person that subscribes for the New Shares via the Rights Issue that does not sign and deliver a QIB Investor Letter will be deemed to have represented and warranted that it is located outside the United States and is subscribing for the New Shares or exercising the Nil Paid Rights or the Fully Paid Rights in an offshore transaction in compliance with the provisions of Regulation S.

The Underwriters may arrange for any New Shares not taken up in the Rights Issue are being offered and sold only (i) outside the United States in reliance on Regulation S under the US Securities Act (“**Regulation S**”); and (ii) in the United States, subject to certain limited exceptions, either to persons reasonably believed to be “qualified institutional buyers” (“**QIBs**”) as defined in Rule 144A under the US Securities Act (“**Rule 144A**”) in reliance on Rule 144A or to QIBs pursuant to another exemption from or transaction not subject to the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the New Shares may be relying upon the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

Neither the US Securities and Exchange Commission (“**SEC**”), nor any state securities commission in the United States nor any other US regulatory authority has approved the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction or the New Shares, nor have such authorities reviewed, passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Securities within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

NOTICE TO ALL INVESTORS

Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in or incorporated by reference into this document for any purpose other than in considering an investment in the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction or the New Shares is prohibited. By accepting delivery of this document, each recipient agrees to the foregoing.

The contents of this document are not to be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

NOTICE TO INVESTORS IN CANADA

Pursuant to the exemption from the prospectus requirements of Canadian securities legislation set out in section 2.1.2 of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) (Rights offering—issuer with a minimal connection to Canada), the Company will allocate the offer of New Shares by way of the Rights Issue to its shareholders in the provinces of Canada and such shareholders subscribing, or deemed to be subscribing, as principal are entitled to subscribe for New Shares by exercising their rights under the Rights Issue under the same terms and conditions as the public offering in the United Kingdom.

New Shares not taken up under the Rights Issue may be sold as described herein only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in NI 45-106 or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Any resale of the Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the sale of the New Shares not taken up under the Rights Issue.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the UK MiFIR Product Governance Requirements) should note that: the price of the New Shares may decline and investors could lose all or part of their investment and the New Shares offer no guaranteed income and no capital protection; and an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the sale of the New Shares. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors (in connection with the Rights Issue) who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Shares and determining appropriate distribution channels.

WHERE TO FIND HELP

If you have any further questions, please call the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

This document is dated 9 September 2021.

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PART I SUMMARY

A. Introduction and warnings

- A.1.1 **Name and international securities identifier number (ISIN) of the securities:** Existing Shares: ISIN code GB00B7KR2P84; Nil Paid Rights: ISIN code GB00BMY5XK54; Fully Paid Rights: ISIN code GB00BMZ0FW54.
- A.1.2 **Identity and contact details of the issuer, including its Legal Entity Identifier (LEI):** easyJet plc (“easyJet” or the “Company”) is a public company limited by shares, incorporated in England and Wales, with registered number 03959649 and registered office at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, United Kingdom. The Company operates under the Companies Act 2006. The Company’s telephone number +44 (0) 1582 525019 and its Legal Entity Identifier is 2138001S47XKWIB7TH90.
- A.1.3 **Identity and contact details of the competent authority approving the prospectus:** This prospectus (the “Prospectus” or “document”) has been approved by the Financial Conduct Authority (the “FCA”), as competent authority, with its head office at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number: 020 7066 1000, in accordance with Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended and supplemented (the “UK Prospectus Regulation”).
- A.1.4 **Date of approval of the prospectus:** This Prospectus was approved on 9 September 2021.
- A.1.5 **Warning:** This summary has been prepared in accordance with Article 7 of the UK Prospectus Regulation and should be read as an introduction to the Prospectus. Any decision to invest in the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and/or the CSN Forms of Instruction (together the “Securities”) should be based on consideration of the Prospectus as a whole by the investor. Any investor could lose all or part of their invested capital. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Securities.

B. Key information on the issuer

B.1 Who is the issuer of the securities?

- B.1.1 **Domicile, legal form, LEI, jurisdiction of incorporation and country of operation:** The Company is incorporated in England and Wales with its registered office in England and its Legal Entity Identifier is 2138001S47XKWIB7TH90. The Company was incorporated and registered in England and Wales under the Companies Act 1985 as a private company limited by shares on 24 March 2000 with registered number 03959649 and name easyJet Limited. The Company was re-registered as a public limited company and re-named easyJet plc on 16 October 2000.
- B.1.2 **Principal activities:** The Group is a leading low-cost airline carrier in Europe, focusing on short-haul flights. It is a public limited company whose shares are listed on the London Stock Exchange, trading commercially as “easyJet”. As at 31 March 2021, the Company and its subsidiaries (the “Group”) operated 916 routes with over 330 aircraft, from 154 departure airports, in 35 countries from 30 bases. As at 31 March 2021, the Group had more than 13,000 employees, including over 4,000 pilots and 7,000 cabin crew members.

The Group’s strategy leverages a strong network, key market positions, an efficient low-cost model and a well-known brand. By focusing primarily on western and northern Europe, the Group benefits from a potential customer base that has a high level of disposable income. The directors of the Company (the “Directors”) believe the Group has significant structural advantages in comparison to legacy carriers, allowing the Group to offer customers fares which provide greater value for money. This is achieved through certain strategic initiatives, including its end-to-end holiday offering, its valuable portfolio of slots at primary airports and investments in new fuel efficient aircraft. The Directors believe the Group benefits from a flexible business model, which allowed the Group to react quickly to the COVID-19 pandemic.

The Group is an industry leader in sustainability, being the world’s first major airline to offset the carbon emissions from the fuel from all flights across its network. The Group seeks to minimise carbon across its operations and supports the development of new technologies in this area.

The Group’s business has been significantly affected by government restrictions on air travel during the COVID-19 pandemic, with border closures, quarantine requirements and the cost of testing depressing the level of customer demand in the Group’s key markets. However, as restrictions have eased, the Group has seen an increase in demand demonstrating a strong desire among its customers to travel despite the COVID-19 pandemic.

The Group’s entire fleet was grounded for commercial operations from 31 March 2020 until 15 June 2020 and subsequently the fleet was utilised on a reduced average basis continually into the financial year ending 30 September 2021. The total number of passengers carried by the Group decreased by 89.4% to 4.1 million in the six months to 31 March 2021 (compared to 38.6 million in the six months to 31 March 2020) in line with a reduction in seat capacity to 6.4 million seats, representing 15.0% of H1 2020 capacity levels.

In the year ended 30 September 2020, the Group generated total revenue of £3,009 million (a decrease of 52.9% from £6,385 million in the year ended 30 September 2019), as capacity was severely reduced by 47.5% to 55.1 million seats as a result of the COVID-19 pandemic (a decrease from 105 million seats in the year ended 30 September 2019). The Group suffered a headline loss before tax of £835 million in the year ended 30 September 2020 from continuing operations before exceptional items (versus a headline profit before tax of £427 million in the year ended 30 September 2019). As at 30 September 2020, the Group’s funding position remained robust with unrestricted cash of £2,316 million (an increase of 47% from £1,576 million in the year ended 30 September 2019) and net debt of £1,125 million.

In the six months ended 31 March 2021, the Group generated total revenue of £240 million (a decrease of 89.9% from £2,382 million for the same period in 2020), with a headline loss before tax of £701 million (as compared to a headline loss before tax of £193 million for the same period in 2020). As at 31 March 2021, the Group had unrestricted access to

£2,929 million of total liquidity, comprising of cash and cash equivalents, money market deposits and undrawn credit facilities.

B.1.3 **Major shareholders:** In so far as it is known to the Company as at 8 September 2021 (being the latest practicable date prior to the publication of this document) (the “**Latest Practicable Date**”), the following persons were directly or indirectly interested (within the meaning of the Companies Act 2006) in 3% or more of the Company’s issued share capital:

Shareholder	As at the Latest Practicable Date ⁽¹⁾		Immediately following Admission ⁽¹⁾⁽²⁾	
	Number of Shares	Approximate % of voting shares	Number of Shares	Approximate % of voting shares
Haji-Ioannou Family Concert Party Shareholding ⁽³⁾	115,737,821	25.34%	192,075,533	25.34%
Ninety One UK Limited ⁽⁴⁾	19,470,807	4.26%	32,313,254	4.26%
Phoenix Asset Management Partners Limited ⁽⁵⁾	16,568,042	3.63%	27,495,899	3.63%

- (1) Based on the total number of ordinary shares in the Company (the “**Shares**”) existing as at the Latest Practicable Date (the “**Existing Shares**”), which was 456,749,631 Shares of £0.272857 each.
- (2) Assuming that each of the above holders of Shares in the Company (the “**Shareholders**”) takes up his, her or its rights in full pursuant to the offer by way of a rights issue (the “**Rights Issue**”), 301,260,394 new Shares to be issued by the Company pursuant to the Rights Issue (the “**New Shares**”) are issued in connection with the Rights Issue, there are no other changes to the holdings of the above Shareholders and no other issues of Shares occur between the Latest Practicable Date and admission of the New Shares to the premium segment of the Official List of the Financial Conduct Authority (the “**FCA**”) and to trading on the London Stock Exchange plc’s (“**LSE**”) main market for listed securities (“**Main Market**”) (together, “**Admission**”).
- (3) Consisting of easyGroup Holdings Limited (holding vehicle for Sir Stelios Haji-Ioannou and Clelia Haji-Ioannou) and Polys Haji-Ioannou (through his holding vehicle Polys Holding Limited). easyGroup Holdings Limited is a company incorporated under the laws of Monaco whose registered office is at Le Ruscino, 14 Quai Anoine 1er, MC 98000 Monaco. easyGroup Holdings Limited is controlled by Sir Stelios Haji-Ioannou and Clelia Haji-Ioannou. Polys Holding Limited is a registered private company incorporated under the laws of Jersey and whose registered office is at 1 Waverley Place, Union Street, St Helier, Jersey, JE4 8SG. Polys Holding Limited is controlled by Polys Haji-Ioannou.
- (4) Ninety One UK Limited is a private limited company incorporated under the laws of England and Wales with registered number 02036094 and whose registered office is at 55 Gresham Street, London, England, EC2V 7EL. Ninety One UK Limited is controlled by Investec plc.
- (5) Phoenix Asset Management Partners Limited is a private limited company incorporated under the laws of England and Wales with registered number 03514660 and whose registered office is at 64-66 Glenthams Road, Barnes, London, SW13 9JJ. Phoenix Asset Management Partners Limited is controlled by its management team.

The Company is not aware of any persons, who, as at the Latest Practicable Date, directly or indirectly, jointly or severally exercise or could exercise control over the Company, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change in control over the Company.

B.1.4 **Key managing directors:** Johan Lundgren, Chief Executive Officer; Kenton Jarvis, Chief Financial Officer

B.1.5 **Identity of the statutory auditors:** PricewaterhouseCoopers LLP, 40 Clarendon Road, Watford, WD17 1JJ, United Kingdom

B.2 What is the key financial information regarding the issuer?

The selected financial information in the tables below for the six months ending 31 March 2021 and 2020 and the years ended 30 September 2020, 2019 and 2018 has been extracted without material adjustment from the Company’s half-year results published in 2021, the Company’s annual report published in 2020 and the Company’s annual report published in 2019, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”).

Summary Consolidated Income Statements

(£ million)	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018
	(unaudited)		(audited)		
Passenger revenue	170	1,833	2,303	5,009	4,688
Ancillary revenue	70	549	706	1,376	1,210
Total revenue	240	2,382	3,009	6,385	5,898
Fuel	(97)	(534)	(721)	(1,416)	(1,184)
Airports, ground handling and other operating costs	(86)	(715)	(938)	(1,845)	(1,649)
Crew	(224)	(398)	(629)	(859)	(761)
Navigation	(25)	(152)	(206)	(409)	(400)
Maintenance	(109)	(191)	(278)	(302)	(335)
Selling and marketing	(17)	(78)	(107)	(157)	(143)
Other costs	(141)	(240)	(511)	(456)	(600)
Other income	75	15	23	29	13
EBITDAR	(384)	89	(358)	970	839
Aircraft dry leasing	(2)	—	(1)	(5)	(162)
Impairment	—	—	(37)	—	—
Depreciation	(204)	(254)	(485)	(484)	(199)
Amortisation of intangible assets	(11)	(8)	(18)	(15)	(15)
Operating (loss)/profit	(601)	(173)	(899)	466	463
Net finance (charges)/income	(44)	(180)	(374)	(36)	(18)
(Loss)/profit before tax	(645)	(353)	(1,273)	430	445
Tax (charge)/credit	96	29	194	(81)	(87)
(Loss)/profit for the period	(549)	(324)	(1,079)	349	358

Summary Consolidated Income Statements (Headline Items)

(£ million)	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018
	(unaudited)		(audited)		
Headline total revenue	240	2,382	3,009	6,385	5,898
Headline EBITDAR	(469)	88	(273)	970	961
Of which: Headline crew	(224)	(398)	(629)	(859)	(754)
Of which: Headline maintenance	(109)	(191)	(278)	(302)	(313)
Of which: Headline other costs	(158)	(241)	(426)	(456)	(507)
Of which: Headline other income	7	15	23	29	13
Headline operating (loss)/profit	(686)	(174)	(777)	466	595
Of which: Headline dry leasing	(2)	—	(1)	(5)	(152)
Of which: Headline impairment	—	—	—	—	—
Headline net finance (charges)/income	(15)	(19)	(58)	(39)	(17)
Headline (loss)/profit before tax	(701)	(193)	(835)	427	578
Headline tax (charge)/credit	126	(1)	110	(78)	(112)
Headline (loss)/profit for the period	(575)	(194)	(725)	349	466

Summary Consolidated Balance Sheets

(£ million)	As at 31 March	As at 30 September		
	2021	2020	2019	2018
	(unaudited)	(audited)		
Assets				
Non-current assets	5,678	5,910	6,044	4,994
Of which: Goodwill	365	365	365	365
Of which: Other intangible assets	224	232	196	181
Of which: Property, plant and equipment	4,811	5,053	5,163	4,140
Current assets	2,630	2,563	2,119	1,999
Of which: Money market deposits	—	32	291	348
Of which: Cash and cash equivalents	2,335	2,284	1,285	1,025
Total assets	8,308	8,473	8,163	6,993
Liabilities				
Current liabilities	(2,340)	(3,826)	(2,668)	(2,060)
Of which: Trade and other payables	(801)	(1,242)	(1,050)	(1,023)
Of which: Unearned revenue	(609)	(614)	(1,069)	(877)
Of which: Borrowings	(300)	(987)	—	(9)
Of which: Lease liabilities	(194)	(224)	(219)	—
Of which: Derivative financial instruments	(129)	(352)	(138)	(24)
Of which: Provisions for liabilities and charges	(307)	(407)	(192)	(118)
Non-current liabilities	(4,386)	(2,748)	(2,510)	(1,700)
Of which: Borrowings	(3,023)	(1,744)	(1,324)	(968)
Of which: Lease liabilities	(833)	(486)	(359)	—
Total liabilities	(6,726)	(6,574)	(5,178)	(3,760)
Net assets	1,582	1,899	2,985	3,233
Equity				
Total equity	1,582	1,899	2,985	3,233

Summary Consolidated Statements of Cash Flows

(£ million)	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018
	(unaudited)		(audited)		
Cash flows from operating activities	(1,194)	287	(762)	761	961
Cash flows from investing activities	769	(220)	266	(811)	(637)
Cash flows from financing activities	590	(117)	1,556	260	(27)
Effect of exchange rate changes	(114)	(19)	(61)	50	17
Net (decrease)/increase in cash and cash equivalents	51	(69)	999	260	314
Cash and cash equivalents at beginning of period	2,284	1,285	1,285	1,025	711
Cash and cash equivalents at end of period	2,335	1,216	2,284	1,285	1,025

Headline (loss)/earnings per share

	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018
	(unaudited)		(audited)		
Headline (loss)/profit before tax (£ million)	(701)	(193)	(835)	427	578
Headline tax (charge)/credit (£ million)	126	(1)	110	(78)	(112)
Headline (loss)/profit after tax (£ million)	(575)	(194)	(725)	349	466
Weighted average number of ordinary shares (million)	453	393	407	393	394
Headline (loss)/earnings per share (pence per share)	(126.9)	(49.4)	(178.1)	88.7	118.3

Net (debt)/cash

	<u>As at 31 March</u>	<u>As at 30 September</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(unaudited)	(£ million)		
		(audited)		
Cash and cash equivalents	2,335	2,284	1,285	1,025
Money market deposits	—	32	291	348
Unrestricted cash	2,335	2,316	1,576	1,373
Borrowings	(3,323)	(2,731)	(1,324)	(977)
Lease liabilities	(1,027)	(710)	(578)	—
Net (debt)/cash	<u>(2,015)</u>	<u>(1,125)</u>	<u>(326)</u>	<u>396</u>

Financial Key Performance Indicators

- Capex represents net cash used by or generated from investing activities, excluding money market deposits.
- Total liquidity represents cash and cash equivalents, money market deposits, undrawn credit facilities and insurance policies (balances held in currencies other than pounds sterling are translated at the spot rates prevailing at the respective balance sheet dates).
- Minimum liquidity requirement represents the number of seats in the Group's fleet (including dry leases), multiplied by £2.6 million divided by 100. Minimum liquidity requirement is unaudited.
- Unrestricted cash represents cash and cash equivalents and money market deposits.
- Headline EBITDAR represents headline earnings before interest, taxes, depreciation, amortisation and profit or loss on disposal of aircraft held for sale.
- Airline revenue per seat represents total revenue divided by the number of seats flown in the period.
- Airline headline cost per seat excluding fuel at constant currency represents headline total revenue, less profit before tax, plus fuel costs, divided by the number of seats flown in the period, presented on a constant currency basis.
- Headline (loss)/profit before tax per seat represents headline (loss)/profit before tax divided by the number of seats flown in the period.
- Headline (loss)/earnings per share represents headline (loss)/profit after tax, divided by the weighted average number of shares in issue during the period (adjusted for shares held in employee benefits trusts).
- Headline (loss)/return on capital employed represents adjusted headline operating (loss)/profit after tax, divided by capital employed.
- Net (debt)/cash represents cash and cash equivalents and money market deposits, less borrowings and lease liabilities.

The review and audit reports on the financial statements of the Group incorporated by reference in this document do not contain any qualifications. The unaudited interim financial statements as at and for the six months ended 31 March 2021 contain a material uncertainty in relation to the Group's ability to obtain sufficient additional funding in the event that the low levels of flying experienced by the Group in the prior 12 months to the date of review report were repeated and also impacted forward bookings for the summer of 2022, that could cast significant doubt upon the Group's ability to continue as a going concern as at the date of the review report, which contains an emphasis of matter in respect thereof.

B.3 What are the key risks that are specific to the issuer?

1. The Group has been materially impacted by the COVID-19 pandemic and measures introduced by governments and other parties to mitigate the spread of the virus. The Group's financial performance for the year ending 30 September 2021 and beyond will be significantly impacted by the speed with which it is able to react to reopening air travel markets. Any extension or imposition of further restrictions on air travel and/or other governmental measures which impact demand for air travel would materially impact the Group.
2. A material flight safety event may adversely affect the Group and may expose the Group to significant fines and other legal and regulatory sanctions.
3. Major security-related threats or attacks, such as terrorist incidents, could reduce demand for air travel and may increase the costs associated with security measures.
4. The Group is reliant on a single fleet supplier and a single engine supplier. In the event that an issue arises specifically in relation to the airworthiness of Airbus aircraft or CFM International engine types used by the Group, the whole or a significant part of its fleet could be grounded.
5. The Group is affected by volatility in jet fuel prices and it may also suffer losses as a result of a failure in its hedging strategy.
6. The Group maintains significant levels of indebtedness, which restricts its financial and operational flexibility and exposes the Group to interest rate movements.
7. The Group operates in a highly competitive market and any failure to compete effectively may have a material adverse effect on the Group.
8. Deterioration in macroeconomic conditions could reduce demand for the Group's services or increase operating costs.
9. The Group is exposed to fluctuations in foreign exchange rates.
10. The Group's operations could be impacted by extreme weather events, rising temperatures and other physical impacts of climate change. In addition, the Group could incur significant costs seeking to mitigate its environmental impact and in responding to regulations designed to mitigate climate change.
11. In 2020, the Group experienced a significant cyber-attack, as a result of which it may be subject to regulatory penalties and/or customer claims. The Group is exposed to the risk of further cyber security breaches, either impacting its own systems or the systems of key suppliers.
12. easyJet is subject to requirements to maintain majority share ownership and control in the European Union and a breach of these requirements could result in easyJet losing its licence to operate in the European Union.

C. Key information on the securities

C.1 What are the main features of the securities?

C.1.1 **Type, class and ISIN:** 301,260,394 New Shares are proposed to be issued under the Rights Issue at a price of 410 pence per New Share. When admitted to trading on the LSE, the Nil Paid Rights will be registered with ISIN: GB00BMY5XK54 and SEDOL: BMY5XK5 and the rights to subscribe for the New Shares, fully paid (the “**Fully Paid Rights**”) will be registered with ISIN: GB00BMZ0FW54 and SEDOL: BMZ0FW5.

C.1.2 **Currency, denomination, par value, number of securities issued and duration:** The Shares are denominated in pounds sterling. As at the Latest Practicable Date, the Company had in issue 456,749,631 Existing Shares of £0.272857 each (all of which were fully paid or credited as fully paid). Pursuant to the Rights Issue, the Company is proposing to issue 301,260,394 New Shares.

C.1.3 **Rights attached to the Shares:** The New Shares will, when issued and fully paid, rank equally in all respects with the Existing Shares and have the following rights attaching to them:

- on a show of hands at a general meeting every member present in person has one vote and every proxy or representative present who has been duly appointed by a member entitled to vote has one vote; and on a poll every member (whether present in person or by proxy or representative) has one vote per Share;
- the right to receive dividends on a *pari passu* basis; and
- if the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in the proportion to the capital which at the start of the winding up is paid up on the Shares held by them, respectively.

In order to comply with the ownership and control provisions of Regulation (EC) No 1008/2008, easyJet currently deems certain Shares held by non-EEA nationals (“**Non-EU Nationals**”) to be “Affected Shares”, in accordance with easyJet’s articles of association. The holder of Shares that are designated as Affected Shares cannot attend, speak or vote at a general meeting in respect of such Shares until such time that such Shares cease to be Affected Shares, and the rights to attend, speak and demand and vote on a poll which would have attached to Affected Shares shall vest in the chair of such meeting, with the manner in which the chair exercises or refrains from exercising any such rights being entirely at his/her discretion.

New Shares taken up by Non-EU Nationals in the Rights Issue may be deemed to be Affected Shares and may accordingly be subject to disenfranchisement in accordance with easyJet’s articles of association. easyJet intends to apply the “Last In, First Out” (“**LIFO**”) principle to New Shares taken up in the Rights Issue, as a result of which Non-EU Nationals who take up New Shares early in the Rights Issue acceptance period will be less likely to be subject to disenfranchisement than, and prioritised for re-enfranchisement ahead of, Non-EU Nationals who take up New Shares in the Rights Issue later in the acceptance period.

In addition, easyJet has in the past discussed and may in the future, including as a result of any change to relevant regulatory requirements, discuss with the FCA the Company’s application of the LIFO principle to determine which Shares are treated as Affected Shares for the purposes of disenfranchisement. The Company may in the future be required to adopt an alternative basis for determining which Shares are treated as Affected Shares for the purposes of disenfranchisement, such as designating an equal proportion of all shares held by non-EU Nationals to be Affected Shares. This could result in certain non-EU Nationals who are Shareholders being subject to disenfranchisement in circumstances where under the LIFO principle they would not be subject to disenfranchisement.

C.1.4 **Rank of securities in the issuer’s capital structure in the event of insolvency:** The New Shares do not carry any rights to participate in a distribution (including on a winding-up) other than those that exist under the Companies Act 2006. The New Shares will, on Admission, rank *pari passu* in all respects with the Existing Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the share capital of the Company.

C.1.5 **Restrictions on the free transferability of the Shares:** There are no restrictions on the free transferability of the Shares. However, the making of the proposed offer of New Shares to persons located or resident in, or who are citizens of, or who have a registered address in a country other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction, which may include restrictions on the free transferability of such New Shares. The Directors may, in its absolute discretion, refuse to register any transfer of a Share which may be capable of being treated as an Affected Share.

C.1.6 **Dividend or pay-out policy:** As a result of the impact of the COVID-19 pandemic on the Group, and the losses incurred, the Board last year withdrew dividend guidance and did not recommend the payment of a dividend for the financial year ended 30 September 2020. Given the continued impact of the pandemic on the operational and financial performance of the Group, headline losses before tax of £1,019 million have been incurred in the nine months to 30 June 2021. The Board recognises the importance of dividends to shareholders and will seek to resume payments when the operating environment and the financial performance of the Group permits. The pace and resilience of the Group’s post pandemic recovery will be key determinants of the timing and quantum of future shareholder distributions. The Board expects to update the market as to when it anticipates resuming paying dividends and on its future dividend policy, assuming the market environment and circumstances permit, when it announces its full year results for the financial year ending 30 September 2022.

C.2 Where will the securities be traded?

The Existing Shares are currently admitted to the premium listing segment of the Official List of the FCA (the “**Official List**”) and to trading on the Main Market. Applications have been made to the FCA and the LSE for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market.

C.3 Is there a guarantee attached to the securities?

The Rights Issue has been underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement. Under the terms of the Underwriting Agreement, the Company has given certain undertakings to not, without the prior written consent of the Underwriters, undertake certain actions in relation to its share capital, including issuing further Shares, for a period of 180 days from the date of settlement of the Underwriters’ payment obligations.

C.4 What are the key risks that are specific to the securities?

1. Shareholders may be disenfranchised or be required to sell their Shares as a result of the requirement for easyJet to remain majority owned and controlled by EEA (including Swiss) shareholders in order to maintain its licence to operate in the European Union.
2. The market price of the New Shares, the Nil Paid Rights and/or the Fully Paid Rights may fluctuate.
3. Shareholders may experience dilution in their ownership of the Company as a result of the Rights Issue.

D. Key information on the offer of securities to the public and admission to trading on a regulated market

D.1 Under which conditions and timetable can I invest in this security?

How can Existing Shareholders participate in the Rights Issue?: Existing Shareholders may participate in the Rights Issue if they are registered in the Company's register of members at 6:00 p.m. (London time) on 8 September 2021 (the "Record Date") and, subject to certain exceptions, are not resident in any of Australia, Canada (subject to certain limited exceptions), Japan, New Zealand, South Africa, the United States (subject to certain limited exceptions) and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation (the "Excluded Territories").

If an Existing Shareholder holds Existing Shares in uncertificated form at the Record Date, they will be entitled to buy New Shares under the Rights Issue through the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland is the operator (the "CREST") platform. If they hold their Existing Shares in certificated form, they will be able to participate by way of a provisional allotment letter (the "Provisional Allotment Letter") or if held through the Corporate Sponsored Nominee Service ("Nominee Service"), they will be able to instruct the Nominee Service by way of the CSN Form of Instruction. If an Existing Shareholder does not want to participate in the Rights Issue, they may sell or transfer all or part of their rights (the "Nil Paid Rights") to those New Shares and receive the net proceeds, if any, of the sale or transfer in cash. The sale of Nil Paid Rights may take place through CREST, where Existing Shares are held in uncertificated form, and through the Provisional Allotment Letters, where Existing Shares are held in certificated form.

Summary of the Rights Issue: The Company is proposing to raise proceeds of approximately £1,196 million (net of fees, costs and expenses) by way of the Rights Issue. The Rights Issue will be made on the basis of 31 New Shares for every 47 Existing Shares held by and registered in the names of Qualifying Shareholders at the close of business on the Record Date.

The Company is proposing to offer 301,260,394 New Shares (representing approximately 66.0% of the Company's existing issued share capital and 39.7% of the enlarged issued share capital of the Company immediately following completion of the Rights Issue (the "Enlarged Issued Share Capital")) in connection with the Rights Issue to Shareholders who hold Shares on the Company's register of members at the Record Date ("Qualifying Shareholders") other than, subject to certain exemptions, to those Qualifying Shareholders with a registered address, or resident, in one of the Excluded Territories. The Rights Issue is to be made at the Issue Price of 410 pence per New Share to Qualifying Shareholders payable in full on acceptance by no later than 11:00 a.m. (London time) on 27 September 2021. The issue price of 410 pence per New Share represents a 48.0% discount to the closing price of an Existing Share; and a 35.8% discount to the theoretical ex-Rights price of an Existing Share, in each case based on the closing middle-market price of 789 pence on the LSE on the Latest Practicable Date.

To the knowledge of the Company, there is no extra cost for non-UK Shareholders to subscribe for the New Shares or transfer Nil Paid Rights. Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders but will be aggregated and sold in the market for the benefit of the Company. The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares.

A Prospectus relating to the offer of New Shares pursuant to the Rights Issue and the applications to the FCA and the LSE for the New Shares (nil paid and fully paid) to be admitted to the premium listing segment of the Official List and to the LSE for the New Shares (nil paid and fully paid) to be admitted to trading on the Main Market has been approved on 9 September 2021 by the FCA. The Prospectus has been approved by the FCA. A separate prospectus has been approved by the *Autorité des marchés financiers* (the "AMF") in its capacity as competent authority in the European Economic Area in accordance with the Prospectus Regulation, and passported into the following countries within the European Economic Area: Germany, Italy and Spain.

Timetable: It is expected that the Rights Issue will take place on the following timetable (all London time):

- 8 September 2021: board meeting to approve the Rights Issue and the Prospectus;
- 9 September 2021: announcement of the Rights Issue and the publication of the Prospectus;
- 10 September 2021: dispatch of the Provisional Allotment Letters or CSN Forms of Instruction to Qualifying Shareholders who hold their Existing Shares in certificated form;
- 13 September 2021: admission and dealings in the New Shares (nil paid) will commence on the LSE by 8:00 a.m.;
- 27 September 2021 at 11:00 a.m.: latest date of acceptance, payment in full and registration of the Provisional Allotment Letters;
- 28 September 2021 by 8:00 a.m.: commencement of dealings in the New Shares (fully paid) on the LSE; and
- 28 September 2021 by 8:00 a.m.: date of announcement of results of the Rights Issue.

Conditions: The Rights Issue is conditional, *inter alia*, upon:

- the underwriting and sponsors' agreement dated 9 September 2021 between, amongst others, the Company and BNP Paribas, Credit Suisse, Goldman Sachs, Santander and Société Générale (the "Underwriters") (the "Underwriting Agreement") having become unconditional in all respects save for the condition relating to Admission; and
- Admission occurring on or before 8:00 a.m. (London time) on 14 September 2021 (or such later time and date as BNP Paribas, Credit Suisse and Goldman Sachs (the "Joint Global Coordinators") and the Company may agree).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Rights Issue will not proceed. The Rights Issue has been underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

Dilution: If a Qualifying Shareholder does not take up any of his or her Rights to subscribe for New Shares, such Qualifying Shareholder's economic and voting interests, as a percentage of the Enlarged Issued Share Capital, will be diluted by 39.7% as a result of the Rights Issue.

Costs and expenses: The total estimated costs and expenses of the Rights Issue payable by the Company are approximately £39 million (excluding recoverable VAT). Shareholders will not be charged expenses by the Company in respect of the Rights Issue.

D.2 Why is this prospectus being produced?

Reasons for the Rights Issue: This Prospectus has been prepared in connection with the offer of New Shares pursuant to the Rights Issue. easyJet is proposing a Rights Issue to raise net proceeds of approximately £1,196 million (net of fees, costs and expenses). As part of a review of its capital structure, the Group has concluded that raising additional equity will protect easyJet's long-term positioning in the European aviation sector. The net proceeds from the Rights Issue, which will increase the Group's cash balance, will facilitate and accelerate the Group's recovery from the impact of the COVID-19 pandemic, strengthening the Group's balance sheet by reducing net debt, providing further liquidity, and enhancing resilience against potential prolonged market challenges related to the COVID-19 pandemic. As the sector recovers, this flexibility will also support growth, enabling the Group to take advantage of long-term strategic and investment opportunities expected to arise as the European aviation and travel industries restructure as a result of the COVID-19 pandemic. This, combined with the underlying strength of the Group's strategic position, will materially improve the Group's ability to deliver long-term value to Shareholders.

Underwriting Agreement: The Rights Issue has been underwritten in full by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement. There are no material conflicts of interest pertaining to the Rights Issue or Admission. The Underwriters and/or certain of their affiliates have provided and/or may provide in the future various banking, financial, investment, commercial or other services to the Group, to their shareholders or to their corporate officers, for which they have received or may receive remuneration in this respect. The Underwriting Agreement is subject to certain customary representations and warranties and there are no guarantee arrangements.

Working capital statement: The Company is of the opinion that, taking into account the net proceeds of the fully underwritten Rights Issue and the lending facilities available to the Group, the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

In preparing the working capital statement above, the Company is required, by the ESMA Recommendations, to identify, define and consider a "reasonable worst case" scenario, which involved making certain assumptions regarding the potential evolution of the COVID-19 pandemic and its potential impact on the Group in that "reasonable worst case" scenario.

The COVID-19 pandemic has had, and is anticipated to continue to have, a significant impact on the Group's near-term performance. Given the considerable uncertainties as to the ongoing and potential future impact of the COVID-19 pandemic on the Group and its business, the Company believes that it is appropriate to provide additional disclosure of the key COVID-19-related assumptions underpinning the Group's "reasonable worst case" scenario, on which the working capital statement is dependent.

The "reasonable worst case" scenario is consistent with the assumptions that underpinned the Company's "severe but plausible" downside scenario that formed the basis for the Directors adopting the going concern basis of accounting in preparing the 2021 Interim Financial Statements. This scenario is based on a general assumption that COVID-19 restrictions continue up to the end of June 2022, including government lockdowns and international travel bans, which leads to a prolonged recovery period, reduction in revenue yield, lower load factors and a reduction to anticipated number of bookings.

The Company has made the following specific assumptions relating to the COVID-19 pandemic in preparing its "reasonable worst case" scenario:

- travel restrictions remain in place until end of June 2022, with easyJet flying similar levels of passengers to those flown during the same period in the previous calendar year, with travel restrictions then easing and travel steadily returning to pre-COVID levels by January 2023, as customer confidence returns;
- reflecting the reduction in travel noted above, booked seats for flights departing during the year ending 30 September 2022 and 6 months ending 31 March 2023 represent only 24% and 72%, respectively, of the levels achieved for the corresponding period during the year ended 30 September 2019, with load factors (the proportion of available seating capacity filled with passengers) 14ppt lower for the year ending September 2022 and 1ppt lower for the 6 months ending March 2023;
- the trend of shorter booking times between customers booking flights and flying experienced for flights scheduled to depart during Summer 2021 (arising due to ongoing uncertainty around travel restrictions), is reversed for flights scheduled to depart during Winter 2021, Summer 2022 and Winter 2022, with the period between booking and flying times extended by one to two months as compared to the corresponding period pre-COVID 19 (due to flights being made available to book earlier); and
- a downgrade of the Company by both ratings agencies to sub-investment grade as a result of COVID-19.

The working capital statement in this Prospectus, as approved by the FCA in accordance with section 85 of FSMA, has been prepared in accordance with the ESMA Recommendations and the technical supplement to the FCA Statement of Policy published on 8 April 2020 relating to the COVID-19 pandemic.

Participation in the Rights Issue: As at the date of this document, the Company is not aware of any Shareholders' intentions to take up and subscribe for their rights in the New Shares in the Rights Issue.

The Directors of the Company who are Shareholders are: John Barton, Johan Lundgren, Dr Andreas Bierwith, Nicholas Leeder, Julie Southern, Catherine Bradley CBE, Moni Mannings and David Robbie. Taken together, the combined percentage interest of the Directors in voting rights in respect of the issued ordinary share capital of the Company at the Latest Practicable Date was approximately 0.024%. Each Director who is a Shareholder has irrevocably undertaken to either take up and subscribe in full for their entire right to subscribe for New Shares in the Rights Issue or sell a sufficient number of Nil Paid Rights to meet the cost of taking up the balance of their entitlement to New Shares.

PART II

RISK FACTORS

An investment in the Securities is subject to a number of risks and uncertainties. Accordingly, prospective investors and Shareholders should carefully consider the risks and uncertainties associated with the Rights Issue, any investment in the Securities and the Group's business and the industry in which it operates, together with all other information contained or incorporated by reference in this Prospectus, including, in particular, the risk factors described below, and their personal circumstances prior to making any investment decision. If any of the following risks or uncertainties actually materialises, the Group's business, results of operations, financial condition and prospects could be materially adversely affected. In such case, the market price of the Securities could decline and investors and shareholders may lose all or part of their investment.

Prospective investors and Shareholders should note that the risks and uncertainties summarised in the section of this Prospectus headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor or Shareholder of whether to invest in the Securities. However, as the risks and uncertainties which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors and Shareholders should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks and uncertainties described below are not the only ones the Group faces. Additional risks and uncertainties not presently known to the Directors or the Group, or that they currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, if any such risks or uncertainties actually materialises, the market price of the Securities could decline and shareholders may lose all or part of their investment.

The risk factors are presented in categories which are numbered 1 to 10 below, with the most material risk factors appearing first in each numbered category.

1. Risks relating to the impact of the COVID-19 pandemic

1.1 The Group has been materially impacted by the COVID-19 pandemic and measures introduced by governments and other parties to mitigate the spread of the virus. The Group's financial performance for the year ending 30 September 2021 and beyond will be significantly impacted by the speed with which it is able to react to reopening air travel markets. Any extension or imposition of further restrictions on air travel and/or other governmental measures which impact demand for air travel would materially impact the Group.

The global spread of a novel coronavirus ("COVID-19") throughout 2020 and 2021 has caused an unprecedented level of travel restrictions being imposed by governments across the United Kingdom, Europe and the other markets in which the Group operates. As a result of these restrictions, the Group's entire fleet was grounded for commercial operations on 31 March 2020 for 11 weeks. The Group resumed commercial flights on 15 June 2020, however since that date the Group's ability to operate has been severely constrained by governmental restrictions and customer demand and the Group's flying capacity has been significantly lower than previous years. Actions taken by the Group in response to the COVID-19 pandemic, such as heightened cleanliness standards and working from home arrangements, have increased the cost and complexity of the Group's operations.

On 4 January 2021, the UK Government tightened its travel restrictions in response to a new variant of COVID-19, with international travel only permitted for exceptional reasons. These restrictions remained in place throughout the second quarter of 2021 alongside a third wave of infection, which resulted in a further tightening of travel restrictions across parts of Europe in March 2021.

These restrictions have had a significant impact on the Group's operations and on its financial condition. The total number of passengers carried by the Group decreased by 89.4% to 4.1 million for the six months ended 31 March 2021 (compared to 38.6 million for the six months ended 31 March 2020) in line with a reduction in seat capacity to 6.4 million seats, representing 15.0% of H1 2020 capacity levels. This substantial reduction caused total Group revenue for the six months ended 31 March 2021 to decrease by 89.9% to £240 million as compared to £2,382 million for the six months ended 31 March 2020. The Group recorded a loss before tax of £1,273 million for the year ended

30 September 2020 (as compared to a profit before tax of £430 million for the year ended 30 September 2019). The Group recorded a headline loss before tax of £701 million for the six months ended 31 March 2021 (as compared to a headline loss before tax of £193 million for the six months ended 31 March 2020).

To strengthen its balance sheet, the Group raised over £5,500 million since the beginning of the COVID-19 pandemic from a diversified range of funding sources, including:

- a non-pre-emptive placing of ordinary shares raising £409 million in the year ended 30 September 2020;
- a drawdown of US\$1,050 million under the Group's US\$1,870 million facility underwritten by a syndicate of banks and supported by a partial guarantee from UK Export Finance (the "**UKEF Facility**") in January 2021;
- a bond issuance of €1,200 million under the Group's Euro Medium Term Note programme (the "**EMTN Programme**") in March 2021; and
- a series of sale and leaseback transactions of over 58 aircraft in 2020 and 2021 raising a total of £1,512 million of net proceeds.

Whilst these transactions have efficiently increased the Group's liquidity, they have also significantly increased the Group's per-annum headline costs. In April 2020, the Group also issued £600 million of commercial paper under the UK Government's Covid Corporate Financing Facility ("**CCFF**") and drew down US\$500 million under the Group's revolving credit facility (the "**Revolving Credit Facility**") and £400 million under the Group's two term loan facilities (the "**Term Loans**"). The first £300 million tranche of CCFF funding was repaid in March 2021 and the balance is due to be repaid on 18 November 2021.

To manage its costs and reduce cash burn during the COVID-19 pandemic, the Group implemented a major restructuring and cost-out programme, which included:

- utilising furlough schemes across Europe;
- removing bonuses and adopting temporary cuts to leadership team pay;
- implementing a redundancy scheme with management and crew members;
- deferring non-essential maintenance in line with reduced flying levels;
- eliminating spending on non-mandatory training, travel, contractors and consultancy services and minimising non-essential project operating and information technology ("**IT**") capital investment;
- negotiating payment term extensions and using all possible government tax payment extension schemes;
- deferring aircraft deliveries under the Group's aircraft purchase agreement with Airbus;
- negotiating lease term improvements with lessors;
- releasing future flying schedules early; and
- offering rebooking and voucher promotions.

In June 2021, the Group's capacity increased to 2.2 million seats (representing 23% of its June 2019 capacity levels) from 1.0 million seats in April 2021 (representing 11% of its April 2019 capacity levels). This increase in capacity was primarily driven by the relaxation of certain governmental restrictions on travel and the corresponding increase in demand for the Group's services. As a result of this increase in capacity, the Group has experienced higher variable costs as its pilots and crew returned from furlough. Whether or not levels of flying and capacity return to the levels the Group reasonably anticipates remains a subject of considerable uncertainty. As at the date of this Prospectus, capacity remains well below pre-pandemic flying levels.

The full extent of the impact of the COVID-19 pandemic on the Group remains uncertain and will depend on future developments, including the duration and severity of future COVID-19 infections and/or mutations, the efficacy and supply of COVID-19 vaccines, the speed of vaccine programmes, public confidence in and demand for COVID-19 vaccines and the impact of existing and future quarantine measures, travel advisories, testing regimes and other governmental restrictions on travel (including the implementation of and ongoing changes to the new "traffic light" tiered risk based

system in the United Kingdom involving various levels of testing and quarantine). The impact of such restrictions on the Group's ability to operate will depend on their nature and extent but may include, without limitation, increasing the proportion of the Group's fleet which is grounded, reducing flight capacity, impacting customer confidence in and demand for air travel and increasing the cost of air travel to customers. Management's "reasonable worst case" scenario for the next 12 months assumes that COVID-19 restrictions continue up to the end of June 2022, including government lockdowns and international travel bans, which leads to a prolonged recovery period, reduction in revenue yield, lower load factors and a reduction to anticipated number of bookings.

The Group is also exposed to risks relating to macroeconomic uncertainty, which has increased significantly as a result of the COVID-19 pandemic. The COVID-19 pandemic has already caused and is likely to result in further disruptions to global economies and financial markets, which in the longer-term (i.e. beyond the end of the period covered by the Group's working capital statement) may reduce the Group's ability to access capital on favourable terms or at all, and increase the cost of capital. In addition, whilst the Group has performed well during previous economic downturns such as the financial crisis in 2008, a continued recession, depression or other sustained adverse economic event resulting from the COVID-19 pandemic would materially adversely impact the Group's business by decreasing customer demand for air travel (see "*—Deterioration in macroeconomic conditions could reduce demand for the Group's services or increase operating costs*" below). In addition, the COVID-19 pandemic makes strategic planning and forecasting more challenging for management, particularly over the near- to medium-term.

Further risks posed by the COVID-19 pandemic include ensuring the safety of the Group's passengers and employees in line with evolving regulatory guidance and heightened cleanliness and hygiene standards, increased operational complexity as a result of ongoing governmental restrictions on travel (including verifying whether passengers have complied with all COVID-19-related entry requirements), a heightened risk of industrial action resulting from redundancies and ongoing consultations with employees, a significantly more limited market for aircraft transactions, risk of impairment of asset values, IT and information security risks resulting from a significant increase in employees working from home, supplier insolvency or deterioration in the Group's relationship with key suppliers and significant reductions to the Group's planned capital expenditure, which could delay or disrupt the Group's ability to renew and modernise its fleet. In addition, inactivity within the Group's supply chain as a result of furlough schemes and reduced flying schedules could make it more difficult for the Group to maintain pilot and crew proficiency, experience and training and, as a result, increase the number of safety and disruption events that the Group experiences (see "*—A material flight safety event may adversely affect the Group and may expose the Group to significant fines and other legal and regulatory sanctions*" below).

Failure to manage these risks may result in further disruptions to the Group's operations, which could lead to a material adverse effect on the Group's business. For example, if there were to be a significant outbreak of COVID-19 among the passengers on a flight, and particularly if such flight were operated by the Group, such event could materially impact customer confidence and (if the Group was involved) the Group's reputation. The impact of any such event could be exacerbated if the Group was to be prohibited or otherwise restricted from operating in a certain region as a result of concerns about compliance with regulations or guidance intended to mitigate the spread of COVID-19.

The long-term impact of the COVID-19 pandemic on the airline industry is subject to significant uncertainty, including with respect to consumer behaviour and preferences and continuing government travel restrictions and advisories or requirements for air travel. There can be no guarantee that consumer demand for air travel will return to pre-pandemic levels or that consumer behaviour and preferences will not experience longer-term changes. Such changes, without limitation, could include a disinclination to travel, whether as a result of the perception of increased risk of contagion in airports and aircraft, enhanced COVID-19 screening measures, the uncertainty created by the numerous and differing travel restrictions or otherwise or financial or budgetary constraints of the Group's customers. Any changes in consumer preferences, tastes and purchasing habits could result in diminished demand for the Group's services, including if the Group cannot adapt its business accordingly, and could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group considers the COVID-19 pandemic to represent a stand-alone principal risk to its business. However, the COVID-19 pandemic may also heighten the impact of certain other risks described

below, including, without limitation, those relating to operational disruption, the execution of the Group's commercial strategy and the continuity of services.

2. Risks relating to the Group's business and operations

2.1 A material flight safety event may adversely affect the Group and may expose the Group to significant fines and other legal and regulatory sanctions.

Flight safety incidents and health and safety incidents involving the Group or another airline could potentially lead to significant injury, loss of life and/or disruption to the Group's business. Any such event, which may be caused by human error or misconduct, technical or mechanical failures with aircraft or the maintenance performed on such aircraft, could result in sustained adverse media coverage, impact passenger confidence and have an adverse effect on the airline industry in general and (to the extent the Group and its employees are involved) the Group's reputation in particular, leading to reduced demand for the Group's services. The Group may also be significantly impacted by a material flight safety incident involving an aircraft of a type forming part of its fleet (whether or not operated by the Group), particularly if such incident results in a decision by aviation regulators in one or more of the jurisdictions in which the Group operates to ground all aircraft of the relevant type (see "*The Group is reliant on a single fleet supplier and a single engine supplier. In the event that an issue arises specifically in relation to the airworthiness of Airbus aircraft or CFM International engine types used by the Group, the whole or a significant part of its fleet could be grounded*" below).

In addition, if the Group's aircraft were involved in material safety incidents, the Group may be exposed to significant costs associated with the repair or replacement of any damaged or lost aircraft, resulting in temporary or permanent loss from service of such damaged or lost aircraft, as well as claims by affected passengers, survivors of deceased passengers, aircraft owners and other third parties. The Group may also be subject to fines or to other legal or regulatory sanctions, including revocation of or restrictions on the Group's operating licences. Failure to prevent or respond promptly and effectively to such an incident could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects.

2.2 Major security-related threats or attacks, such as terrorist incidents, could reduce demand for air travel and may increase the costs associated with security measures.

Major security-related threats or attacks, such as a hijacking, bombing or other terrorist incident, could have a material adverse effect on the Group, regardless of the location or target of such threat or attack or whether or not the Group was directly involved. Such an event could result in reduced demand for air travel, which could in turn lead to a loss of revenue and have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Additional adverse consequences of such events, or the threat of such events, could include a complete or partial closure of European airspace for certain periods, limitations on the availability of insurance coverage, flight restrictions and increased costs associated with security precautions. For example, enhanced security measures could result in higher costs for airlines, which the Group may not be able to pass on to customers in the form of higher prices. Enhanced passenger screening, increased regulation governing carry-on baggage and other similar restrictions on passenger travel may also further increase passenger inconvenience and reduce the demand for air travel.

The impact of a major security event on the Group may be more significant if the incident involves the Group or an airport critical to the Group's operations, such as the London Gatwick Airport in the United Kingdom. In such a case, the reputational damage for the Group, impact on customer confidence and operational impact of the event and the cost of any remedial measures taken subsequently may be significant. In addition, if the Group's aircraft are involved in a material security event, there may be other associated losses, including the costs of repair or replacement of any damaged or lost aircraft. Any of these adverse consequences, should such an incident occur, could have a material adverse effect on the Group's reputation, business, results of operation, financial condition and prospects.

2.3 The Group is reliant on a single fleet supplier and a single engine supplier. In the event that an issue arises specifically in relation to the airworthiness of Airbus aircraft or CFM International engine types used by the Group, the whole or a significant part of its fleet could be grounded.

The Group operates a single airframe type of Airbus aircraft and is dependent on Airbus and CFM International as its sole suppliers for aircraft and aircraft engines, respectively. As at 31 March 2021, there were 330 aircraft from the Airbus 320 family (which includes A319, A320 and A321 aircraft) in the Group's fleet. Whilst there are significant cost and efficiency advantages of the Group maintaining a single airframe, technical or mechanical issues that relate specifically to Airbus aircraft or either of the CFM International engine types could ground all or a significant part of the Group's fleet, and materially increase the Group's maintenance costs. The Group has a significant number of outstanding orders and purchase options with Airbus and CFM International and, if either supplier were to fail to meet its delivery obligations, relying on these sole suppliers could impact the Group's fleet plans. The Group also relies on CFM International for certain engine maintenance services. Any significant failure or underperformance by Airbus or CFM International could result in schedule reductions or cancellations, which could in turn result in significant disruption to the Group's operations as well as passengers forming a negative perception of the Group. In such cases, consumer confidence and demand would likely be adversely affected.

If the Group had to lease or purchase aircraft or engines from other suppliers, it may encounter delays in obtaining the aircraft or engines it requires and/or be unable to obtain those aircraft or engines on economic terms comparable to the terms of its agreements with Airbus and CFM International. Any replacement aircraft or engines may not have the same operating advantages as the Airbus aircraft or either of the CFM International engine types. The addition of any such different aircraft and/or engines would result in substantial incremental costs, including costs associated with training the Group's employees and/or sourcing additional employees specialised in the operation of such different aircraft.

The Group may also be significantly impacted by a material flight safety incident involving the Airbus A319, A320 and A321 aircraft (whether or not operated by the Group) if such incident results in a decision by aviation regulators in one or more of the jurisdictions in which the Group operates to ground all aircraft of the relevant type. For example, a number of airlines globally were materially impacted by the FAA's decision in March 2019 to ground all Boeing 737-MAX aircraft following two serious flight safety incidents in 2018 and 2019. If a similar grounding decision were to be made relating to the Airbus A319, A320 and A321 aircraft, such a decision could have a material adverse effect on the Group's revenue, operations, reputation and fleet planning. A material flight safety incident involving the Airbus 320 family could also reduce consumer confidence in and demand for the Group's services (see "*—A material flight safety event may adversely affect the Group and may expose the Group to significant fines and other legal and regulatory sanctions*" above).

2.4 The Group is affected by volatility in jet fuel prices and it may also suffer losses as a result of a failure in its hedging strategy.

Fuel costs constitute a substantial proportion of the Group's total operating expenses. For the six months ended 31 March 2021, fuel costs amounted to 10.4% (£97 million) of the Group's headline operating costs as compared to 19.1% (£721 million), 23.9% (£1,416 million) and 22.3% (£1,184 million) for the years ended 30 September 2020, 2019 and 2018, respectively. These fuel costs expose the Group to market risks relating to fluctuations in commodity prices.

Jet fuel has been, and is expected to remain, subject to significant price volatility. Prices for jet fuel are influenced by the demand for and the availability of jet fuel, which in turn may be affected by weather-related events, natural disasters, terrorism, war or the threat of war, political disruption or instability involving oil-producing countries, changes in governmental or cartel policy concerning crude oil or jet fuel production, labour strikes or other events affecting refinery production, transportation disruptions, rates of taxation, economic sanctions, fluctuations in foreign exchange rates (in particular with respect to the US dollar), environmental concerns, market manipulation and price speculation.

Substantial increases in jet fuel prices could, if unhedged, significantly impact the Group's jet fuel costs. For example, a 10% increase in fuel prices for the year ended 30 September 2020 would have adversely impacted the Group's loss before tax for the year ended 30 September 2020 by £59.6 million, assuming a fully unhedged position and all other variables held constant. In future periods, the Group anticipates maintaining more flexibility in hedging tenor and volumes in order to

adapt to changing capacity brought about by fluctuating demand in response to the COVID-19 pandemic. As a result of this change in hedging policy, which could lead the Group to hedge a smaller proportion of its total expected jet fuel requirement, the Group may become more exposed to substantial increases in jet fuel prices in the future. Moreover, there can be no assurance that the Group will be able to increase fares sufficiently to offset any such increases in fuel costs, particularly when fuel prices rise quickly.

A substantial decline in jet fuel prices can lead to higher costs for the Group as a result of negative mark to market fuel hedging. For the year ended 30 September 2020, the average price of Brent crude oil decreased by 27% from US\$66 to US\$48 per barrel. As a result of restrictions on global aviation linked to the COVID-19 pandemic, which caused the Group to re-evaluate its future requirements for jet fuel and determine that the Group had hedged more fuel than would be needed during the period covered by the hedges, the Group's hedge ratios exceeded 100%. The Group recorded a non-headline charge of £353 million related to discontinued jet fuel hedges for the year ended 30 September 2020. If a significant proportion of the Group's fleet is grounded, falls in the price of jet fuel could exacerbate the negative impact of this event, as the Group's mark to market hedge losses would not be offset by the cheaper cost of jet fuel being used in operations. Any such price volatility or sustained increases in jet fuel prices could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.5 A concert party connected to the Group's founder is a major shareholder in the Group and has the ability to influence the Group's business in relation to actions that require shareholder approval.

The Haji-loannou family concert party shareholding, consisting of easyGroup Holdings Limited (a holding vehicle for Sir Stelios Haji-loannou (the Group's founder) and Clelia Haji-loannou) and Polys Haji-loannou (through his holding vehicle Polys Holding Limited), that was last disclosed to easyJet (on 26 May 2021) in accordance with the FCA's Disclosure Guidance and Transparency Rule 5) was 25.34% of the Shares of easyJet. Given the size of their shareholding, together easyGroup Holdings Limited and Polys Holding Limited have the ability to influence the Group's business in relation to actions that require shareholder approval. This control may in the future have the effect of making certain transactions and business initiatives more difficult without the support of easyGroup Holdings Limited and Polys Holding Limited. Shareholder activism by easyGroup Holdings Limited, Polys Holding Limited or other shareholders could divert management's attention from the operations of the business or otherwise result in negative media coverage, adversely impact the reputation of the Group and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.6 The Group obtains the rights to use the easyJet name and associated brands under a licence agreement with a third party and the Group would lose those rights if this agreement were terminated or not renewed.

The Group licenses the "easyJet" brand from easyGroup Ltd, a wholly owned subsidiary of easyGroup Holdings Limited, an entity in which the Group's founder, Sir Stelios Haji-loannou, holds a beneficial interest under the terms of the Amended Brand Licence. The Amended Brand Licence provides the Group with worldwide rights to use the brand on a basis which protects the Group's current commercial activities. Under the terms of the Amended Brand Licence, the Group is granted rights to use the brand for business activities, including commercial passenger air travel in commercial planes and ancillary services, such as car hire, hotel and provision of package holidays through "easyJet Holidays", as well as other activities.

The Amended Brand Licence will operate for a 50 year period, terminating on 10 October 2060, and is subject to a commitment by both parties to hold good faith negotiations to discuss renewal on the 47th anniversary of the Amended Brand Licence. easyJet is able to terminate the Amended Brand Licence with one years' notice (or sooner if there is a material breach by easyGroup Ltd). easyGroup Ltd may only terminate the Amended Brand Licence in limited circumstances, including in the event of a material breach by easyJet or if easyJet enters into insolvency.

The Group believes that the easyJet name and associated brands are important assets. In the event the Amended Brand Licence is terminated, the Group would be forced to stop using the easyJet name and may incur significant additional expenses to market its services, including the development of new branding. The Group may be unable to retain existing customers or attract new customers without the

use of the easyJet name and associated brands, which would adversely affect the Group's market share and revenue. In the event the Amended Brand Licence is terminated, the easyJet name could also be licensed to a new or existing competing airline subject to the expiry of any relevant lock-out period. Any termination of the Amended Brand Licence, or the post-termination use of the brand by a competing airline, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is also subject to the risk that third party infringers may from time to time misappropriate or misuse the easyJet name and its associated brands. Litigation may be required to maintain, defend and enforce the "easy" and "easyJet" brands, which could result in substantial costs and divert management attention.

2.7 The Group is exposed to the risk of significant operational disruption to its network and bases from a range of factors which are outside the Group's control.

The Group operates from a number of key airports across Europe, including London Luton and London Gatwick in the United Kingdom and Milan Malpensa, Paris and Geneva within mainland Europe. The Group also operates from 30 crew and aircraft bases in eight European countries enabling operations to Europe's primary airports. The Group is exposed to the risk of significant, widespread and sustained disruption to its network and bases. Any such disruption could increase the Group's costs, adversely impact its passengers and harm its brand and reputation.

A number of factors which are outside the Group's control may cause the Group to experience a significant, widespread and sustained disruption, including fire, flooding, war, coup d'états, armed conflict or acts of terrorism, air traffic management restrictions or airport and/or airspace closures, bird strikes, unauthorised drone activity or drone reports, air traffic congestion at airports, air traffic control inefficiencies, major construction at airports at which the Group operates, a major air crash at the site, union activity and labour disruption, environmental or other protest, technological failures, phishing, ransomware and other types of cyber-attacks or cyber security breaches, supplier and infrastructure failures, human error or misconduct by easyJet personnel or passengers, increased security measures and the outbreak of infectious diseases. In the event of fog, snow, rain, storms or other adverse weather conditions, which may become more severe and increasingly difficult to predict as a result of climate change (see "*—The Group's operations could be impacted by extreme weather events, rising temperatures and other physical impacts of climate change. In addition, the Group could incur significant costs seeking to mitigate its environmental impact and in responding to regulations designed to mitigate climate change*" below), flights may be cancelled or significantly delayed. Natural disasters, such as the ash cloud generated by the eruption of the Eyjafjallajökull volcano in Iceland in April and May 2010, could result in the complete or partial closure or temporary unavailability of any of the key airports or runways from which the Group operates. In addition to significant operational disruption, any such factor could result in sustained adverse media coverage, changes in the behaviour and preferences of the Group's existing and prospective customers and inefficiencies in the use of the Group's crews and aircraft.

If any factor outside the Group's control were to weaken the demand for air travel by increasing passenger inconvenience or reducing consumer confidence, the Group's revenue would likely be adversely affected. In addition, the Group may incur significant costs after experiencing a widespread or sustained disruption to its operations, including the implementation of any remedial measures and the payment of compensation to passengers (see "*—The Group is required to compensate passengers for certain flight delays and cancellations*" below). Any significant decrease in revenue or increase in costs could have a material adverse effect on the Group's business, results of operation, financial condition and prospects.

2.8 The Group may be vulnerable to operational disruptions and changes in airport regulation because it seeks to maintain a high aircraft utilisation rate.

Achieving and maintaining a high aircraft utilisation rate is a key part of the Group's long-term network and fleet strategy. Aircraft utilisation is the average number of block hours per day divided by the total number of aircraft operated in the Group's fleet. The Group aims to achieve high utilisation rates by reducing turnaround times at airports, flying for more hours in an average day and reducing the amount of time during which spare aircraft are available for backup.

In recent periods, the Group's aircraft utilisation rate has been severely impacted by the COVID-19 pandemic and associated restrictions on air travel in Europe (see "*The Group has been materially impacted by the COVID-19 pandemic and measures introduced by governments and other parties to mitigate the spread of the virus. The Group's financial performance for the year ending 30 September 2021 and beyond will be significantly impacted by the speed with which it is able to react to reopening air travel markets. Any extension or imposition of further restrictions on air travel and/or other governmental measures which impact demand for air travel would materially impact the Group*" above). The Group's average daily aircraft utilisation was 3.9 hours, 5.0 hours, 10.9 hours and 11.1 hours for the six months ended 31 March 2021 and the years ended 30 September 2020, 2019 and 2018, respectively.

The Directors expect the Group's average daily aircraft utilisation to increase significantly from current levels as COVID-19 travel restrictions are eased or lifted. However, the Group's ability to achieve increased daily aircraft utilisation rates versus the year ended 30 September 2019 may be adversely affected by any changes in airport regulation which restrict the availability of slots, impose airport curfews, limit the duty hours of flight and cabin crew or otherwise adversely impact the Group's ability to maximise the use of its aircraft and crew. The Group's ability to achieve increased daily aircraft utilisation rates may also be adversely impacted by other factors outside the Group's control, including cancellations or delays due to adverse weather conditions or natural disasters, air traffic control problems or inefficiencies or breaches in security. See also "*The Group is exposed to the risk of significant operational disruption to its network and bases from a range of factors which are outside the Group's control*" above.

Significant delays in the Group's provision of services, especially if repeated on multiple occasions, could damage its reputation and its ability to attract and retain customers. In addition, removing aircraft for unscheduled maintenance, which will occur more frequently as the Group's fleet ages, may materially reduce the Group's aircraft utilisation rate and require the Group to seek short-term substitute capacity at increased costs. Due in particular to the importance of a high daily aircraft utilisation rate to the Group's long-term network and fleet strategy, the unavailability of multiple aircraft and the resulting decline in capacity could have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects.

2.9 *The Group's insurance cover may be insufficient to fully reimburse the Group in the event that it suffers significant losses, and there can be no assurance that the Group will be able to renew insurance policies on reasonable terms or at all.*

The Group is subject to the risk of claims and losses arising from a range of events and circumstances, including significant security or safety incidents, aircraft damage or loss, business interruption and cyber security breaches. Insurance coverage is not available in respect of all losses to which the Group may be subject.

The Group's insurance policies are subject to limits, deductibles and specific terms and conditions. Consistent with industry practice, such policies cover only certain aspects of the Group's business. As a result, the Group's insurance policies may not cover the full amount of any claim made by the Group following a significant loss. In particular, the Group's insurance policies generally do not cover consequential losses from being unable to operate and generally have not covered losses resulting from the COVID-19 pandemic. There can be no assurance that the amount or type of insurance cover currently held by the Group will be sufficient or adequate to cover all potential material losses. In addition, there can be no assurance that the Group will be able to renew insurance policies on reasonable terms or at all, particularly following the occurrence of a major safety or security incident or a global pandemic such as COVID-19. If the Group suffers a loss for which it is not insured or if the amounts insured under such policies are insufficient, the Group may suffer significant costs or losses.

In addition, if the cost of insurance increases substantially, for example due to an event that gives rise to a material insurance claim, there may be a negative impact on the Group's results of operations. To mitigate any such impact, the Group may (subject to regulatory requirements) choose to reduce its insurance coverage, in which case it would be exposed to risk in the event an insurable event occurs and the Group does not have adequate insurance cover. Any such disaster, major disruption or insurance claim, or the inability of the Group to renew or obtain adequate insurance on reasonable terms or at all, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.10 The Group's reputation is closely linked to customer experiences. If the Group fails to manage customer experiences appropriately and customer satisfaction declines, or if the Group's operational performance results in increased level of compensation claims from customers, the Group may be materially impacted.

The Group's reputation is closely linked to customer experiences. Reliability, including on-time performance, is a key element of the Group's customer experience. Unreliable operational performance and/or an inability to react to customer expectations as a result of disruption would negatively impact customer satisfaction and may damage the Group's reputation and demand for the Group's services, particularly if the Group is perceived to perform poorly in comparison to other airlines.

In addition, the Group may be liable to pay compensation to customers inconvenienced by delays or cancelled flights (see "*The Group is required to compensate passengers for certain flight delays and cancellations*" below). Customer experience could also be negatively affected by other elements of performance outside of flying, such as the speed of and quantity of refunds. Any significant decrease in demand for the Group's services as a result of these or other factors, or any significant increase in compensation costs, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2.11 The Group is exposed to the risk of failure or underperformance by third-party suppliers and service providers.

The Group relies on third-party suppliers and service providers for ground handling, aircraft maintenance, call centres, IT systems, catering, fuel supply and other operations. The efficiency and timeliness of such suppliers and service providers, as well as the quality of their contract performance, is beyond the Group's direct control. Failure to adequately manage the performance of third-party suppliers or service providers and any failure by such suppliers or service providers to perform their obligations could adversely affect the Group's reputation by generating adverse media coverage and the Group's operational and financial performance. There can be no guarantee that the Group will successfully mitigate the risk associated with any such failure or underperformance by closely monitoring the activities of its third-party suppliers and service providers or by exercising the Group's contractual rights to step in and perform certain services in place of its third-party suppliers and service providers.

If any of the Group's suppliers or service providers default on their obligations to the Group or become insolvent, there can be no guarantee that the Group will be able to recover compensation for obligations not satisfied by its suppliers and service providers and the Group may incur losses to remediate any significant instances of underperformance or failure to perform. There can be no assurance the Group will be able to identify suitable replacement suppliers or service providers in a timely manner or on favourable terms, and the transition to such replacement may take time and could increase the Group's costs.

Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3. Risks relating to the Group's financial condition

3.1 The Group maintains significant levels of indebtedness, which restricts its financial and operational flexibility and exposes the Group to interest rate movements.

The Group's net debt was £2,015 million as at 31 March 2021 (as compared to £1,125 million as at 30 September 2020), which included borrowings of £3,323 million (as compared to £2,731 million as at 30 September 2020) and lease liabilities of £1,027 million (as compared to £710 million as at 30 September 2020). The Group's levels of indebtedness increased in the first half of 2021 as a result of measures taken by the Group to increase liquidity in response to the COVID-19 pandemic, including a bond issuance of €1,200 million under the EMTN Programme in March 2021 and a drawdown of US\$1,050 million under the UKEF Facility in January 2021. As at 31 March 2021, the Group had unrestricted access to £2,929 million of total liquidity, which comprised £2,335 million of cash and cash equivalents and £594 million of undrawn commitments under the UKEF Facility. Apart from £300 million of CCF funding which is due to be repaid on 18 November 2021, the Group has no other debt maturities outstanding until the 2023 financial year.

The Group expects to continue to have a substantial amount of outstanding debt going forward. The Group's borrowings could have important consequences for its business and operations, including:

- delaying and/or limiting the ability of the Group to finance its operations, satisfy its current and future fleet requirements, execute its strategy and invest in its business;
- increasing the Group's vulnerability to adverse general economic or industry conditions that are beyond its control;
- causing the Group's credit rating agencies, Standard & Poor and Moody's, to downgrade or withdraw the Group's long-term, investment grade, corporate credit ratings, which could in turn limit the credit lines available to the Group in the longer-term (i.e. beyond the end of the period covered by the Group's working capital statement);
- further negatively impacting the Group's share value, particularly if the Group is required to finance its borrowings through the issuance of equity or equity-linked instruments in the longer-term (i.e. beyond the end of the period covered by the Group's working capital statement); and
- placing the Group at a competitive disadvantage compared to competitors that may have less debt.

In the longer-term (i.e. beyond the end of the period covered by the Group's working capital statement), there is a risk that continued disruption to the airline industry as a result of the COVID-19 pandemic and related governmental restrictions may result in continued high levels of cash burn and strain on the Group's liquidity position and subject the Group to liquidity risk. Whilst the Group has taken action to date to preserve liquidity including through the issuance of bonds, drawings under the Group's debt facilities and sale and leaseback transactions, there can be no certainty that in the longer-term the Group will be able to continue to access liquidity and raise funds when required. Any such failure to access liquidity or raise funds could result in the Group not being able to meet future financial obligations as they become due. Should the Group be unable to obtain satisfactory financing in respect of its current commitments, or in respect of future financing needs, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's ability to generate sufficient cash flows to make scheduled payments on its indebtedness over the longer-term, and to refinance borrowings when due, will depend on its future financial performance, its credit ratings, its ability to maintain credit lines with third parties (including easyJet's card acquirers) and general market conditions. In some cases, the Group may need to refinance and such refinancing may be more expensive than current rates, or may be unavailable depending on the Group's current credit profile, the economic climate at the time and other factors outside of its control. In May 2020, Moody's Investors Service ("**Moody's**") downgraded its credit rating of easyJet from Baa2 to Baa3 and changed the outlook from ratings under review to negative; this downgrade followed the downgrade in March 2020 from Baa1 to Baa2. Similarly, S&P Global Ratings ("**S&P**") downgraded easyJet's long-term debt ratings from BBB to BBB- in May 2020. Any future downgrades in credit ratings and outlook may increase the Group's cost of borrowings for future financings (see "*—If the Group's credit ratings are downgraded or withdrawn, it may be more difficult and costly for the Group to maintain or secure favourable finance or credit and payment terms and in the longer-term the Group's liquidity may be adversely impacted*" below).

In addition, and notwithstanding the recent sale and leaseback transactions, the Group still owns a significant proportion of its fleet of A319, A320 and A321 aircraft which it may seek to sell or finance at an appropriate time in the second-hand aircraft market. If second-hand prices fall for any reason, including as a result of the impact of COVID-19 on the global aviation market or safety or reliability concerns, or if the Group faces delays in making these sales, this could have a material adverse effect on the Group's financial condition.

3.2 Interest rate movements could adversely affect the amount of interest paid on the Group's existing and future borrowings.

The Group's levels of indebtedness also expose the Group to market risks relating to fluctuations in interest rates. The Group's borrowings are issued at either fixed or floating interest rates, repricing every three to six months. The Group's interest rate profile includes both fixed and floating interest rates to provide certainty in a proportion of the Group's financing whilst retaining the opportunity to

benefit from interest rate reductions. Adverse movements in interest rates may affect the amount of interest paid on existing and future borrowings and the return on the Group's cash investments.

As at 31 March 2021, the fair value of the Group's cross-currency interest rate swap contracts amounted to £4.5 million. The Group uses cross-currency interest rate swap contracts to hedge its exposure to interest rate movements, which creates certain risks. There can be no assurance that the Group's hedging activities will be accurate or otherwise effective. The ability of the Group's hedge counterparties to perform their obligations is subject to factors outside the control of the Group, such as economic conditions. In the case of default by a counterparty, the Group may lose the benefit from hedges signed with such counterparties. This loss could result in an increase in interest rate exposure, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.3 A material increase in the Group's costs may adversely affect its results of operations and operating margins.

The airline industry is characterised by low operating margins and high levels of fixed costs. The Group's fixed costs relate predominantly to aircraft and debt financing, head office expenses, salaries, depreciation and amortisation, insurance and maintenance. The Group's ability to pay these fixed costs will depend on its operating performance, cash flows and its ability to continue to secure adequate financing, which will in turn depend on, among other things, the success of its current strategy, fuel price volatility, any significant weakening of economic conditions in Europe and the availability and cost of financing, as well as other factors that are beyond the Group's control.

The Group's cost base also includes airport, transit and landing fees, navigation costs and air traffic control fees. Governments in the Group's core markets may attempt to recover lost revenue during the COVID-19 pandemic by raising Eurocontrol rates and other fees. For example, the navigation costs charged by each of the countries that the Group transits through may increase in future periods. The Group is unable to predict the quantum or potential impact of any increase to its navigation or other costs, nor the timings associated with any such increase. If the Group is not able to pass any increase in charges, fees or other costs on to its customers in the form of higher prices, this increase could have a material adverse effect on the Group's operating margins.

The Group is also exposed to the risk of higher maintenance costs and expenses, which may increase as a result of changes in market conditions, aircraft maintenance practices and regulation, as well as the aging of the Group's fleet over time. The average age of the Group's fleet increased to 8.6 years as at 31 March 2021 from 8.0 years as at 30 September 2020. The aging of the fleet and the associated increase in aircraft maintenance could also drive an increase in the Group's depreciation costs. The Group capitalises and depreciates long-term scheduled maintenance and major overhaul of aircraft and engines over the length of the period benefitting from those repairs.

In addition to age, a material change in the mix of leased and owned aircrafts in the Group's fleet could result in higher costs. As at 31 March 2021, 55% of the fleet was owned and 45% of the fleet was leased. If the proportion of leased aircraft in the fleet increases in connection with the sale and leaseback of additional aircraft, the Group would likely incur additional net finance charges due to an increase in its lease-related interest payments. A material increase in the Group's depreciation costs or net finance charges would likely have a material adverse effect on the Group's ownership costs.

There can be no assurance that any of the foregoing costs will not increase or that the Group will not incur new costs, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.4 Increases in government taxes and the imposition of additional taxes or charges could adversely affect the Group's business.

Airport taxes are levied as a fixed tax on the sale of airline seats in many of the countries in which the Group operates. An increase in such taxes could lead to the loss of customers who are highly sensitive to increases in ticket price.

If airfares become subject to value added tax or other sales taxes in the future, or the Group becomes subject to additional fuel taxes or regulatory charges in the future, this would increase the Group's operating costs. The Group may pass on some or all of the costs resulting from such taxes to its customers, but any significant increase in the price of the Group's services would likely reduce

customer demand. As a result, the imposition of additional taxes could have a material adverse effect on the Group's profitability by decreasing revenue or increasing costs. Any significant decrease in profitability could have a material adverse effect on the Group's business, results of operation, financial condition and prospects.

3.5 Any failure by the Group to comply with its contractual obligations or to pay its indebtedness when due could have material adverse consequences for the Group.

The aviation industry is capital intensive and, as a result, many airlines are highly leveraged. As at 30 September 2020, the Group had future lease liabilities of £944 million and future principal and interest debt obligations of £2,820 million, of which £278 million and £1,018 million, respectively, had contractual maturities within one year and £174 million and £418 million, respectively, had contractual maturities between one and two years.

In the longer-term (i.e. beyond the end of the period covered by the Group's working capital statement), any failure by the Group to comply with its contractual obligations or to pay its financial liabilities when due could result in a variety of material adverse consequences, including the exercise of remedies by its creditors, lessors or other co-contracting parties, the enforcement of security or the termination of the relevant contract, and such defaults could trigger additional cross defaults under other indebtedness or agreements. In such situations, the Group may not be able to repay the accelerated indebtedness or fulfil its obligations under relevant contracts or make required aircraft lease payments. Once any such default has occurred, the lenders under such financing arrangements could enforce upon all or substantially all of the assets of the Group which secure its obligations in accordance with the terms of the agreement.

3.6 If the Group's credit ratings are downgraded or withdrawn, it may be more difficult and costly for the Group to maintain or secure favourable finance or credit and payment terms and in the longer-term the Group's liquidity may be adversely impacted.

As at the date of this Prospectus, the Group held long-term, investment grade, corporate credit ratings from Standard & Poor's (BBB-) and Moody's (Baa3). There can be no assurance that such ratings will not be downgraded or withdrawn in the future.

One or more credit rating downgrades or any withdrawal thereof could make it more difficult and costly for the Group to obtain new financing, refinance its existing debt, maintain credit lines with third parties (including easyJet's card acquirers), negotiate payments terms with new suppliers and/or retain existing payment terms with its suppliers. A credit rating downgrade would likely increase the Group's borrowing costs as lenders identify the Group as an increased credit risk. A credit rating downgrade may also cause the Group to be subject to terms and conditions that are more onerous and restrictive than those terms and conditions that govern its existing and new credit arrangements.

Accordingly, any downgrade or withdrawal of the Group's credit ratings may increase the Group's cost of funding and in the longer-term (i.e. beyond the end of the period covered by the Group's working capital statement) adversely impact the Group's liquidity and make it more difficult and costly for the Group to raise finance or otherwise have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

3.7 A material decrease in the value of the aircraft owned by the Group would likely have an adverse effect on collateral values, aircraft acquisition and/or the consideration which the Group could expect to receive for the sale of its aircraft, all of which may be exacerbated if other airlines experience corresponding decreases.

The Group is exposed to fluctuations in the market value of the aircraft it owns. As at 31 March 2021, the value of the aircraft and spare parts owned by the Group decreased to a net book value of £3,658 million from £4,333 million as at 30 September 2020. The COVID-19 pandemic, in particular, has exacerbated aircraft valuation declines and has also caused the Group to defer additional aircraft acquisitions. The Directors believe that demand for aircraft is likely to remain subdued as long as COVID-19 travel restrictions remain in place (see "*—The Group has been materially impacted by the COVID-19 pandemic and measures introduced by governments and other parties to mitigate the spread of the virus. The Group's financial performance for the year ending 30 September 2021 and beyond will be significantly impacted by the speed with which it is able to react to reopening air travel markets. Any extension or imposition of further restrictions on air travel and/or other governmental*

measures which impact demand for air travel would materially impact the Group” above). If the value of the Group’s fleet decreased further due to low levels of demand for aircraft, the amounts available to the Group under existing and future debt financing arrangements, in respect of which a portion of the Group’s fleet may serve as collateral, would likely decrease.

The financial distress that many airlines have experienced as a result of the COVID-19 pandemic also increases the risk that other airlines or leasing operators may simultaneously attempt to sell parts of their fleet to boost their liquidity. In addition, there could be attempts to liquidate fleets following airline bankruptcies, further depressing prices in the secondary market. A material decrease in secondary market prices would likely have an adverse effect on the consideration which the Group could expect to receive for the sale of its aircraft and may impact the market price of the Securities.

The market value of the aircraft and spare parts the Group owns may also be affected by other factors outside of the Group’s control, including any material decline in customer demand for air travel and changes in general macroeconomic conditions.

Any of the above factors could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

4. Risks relating to the airline industry

4.1 The Group operates in a highly competitive market and any failure to compete effectively may have a material adverse effect on the Group.

The Group operates in a highly competitive market. A large number of participants, including legacy carriers, low-cost carriers and other airlines, compete throughout the Group’s route network.

Existing or new competitors may have, among other things, greater financial resources, more extensive flight schedules, newer aircraft, lower operating costs, better airport facilities, better onboard products, more effective branding or marketing, a more loyal customer base, more attractive catering propositions and more efficient operations. There can be no assurance that the Group will be able to maintain and enhance its key competitive advantages, which include its network and portfolio of attractive slot pairs at primary airports, cost base, brand and digital innovation.

A number of the Group’s competitor airlines are state-owned or state-supported. Such airlines may have received in the past, and may continue to receive in the future, significant amounts of state assistance and/or subsidies. For example, the COVID-19 pandemic has resulted in a significant increase in such state support, with competitor airlines, including Air France-KLM, Alitalia, TUI Group, and Lufthansa, receiving government-backed loans, warrants and grants, some of which do not need to be repaid. This state support, and certain conditions related to this support, could enable these competitors to become more competitive as compared to the Group and distort the competitive landscape in the markets in which the Group operates.

The Group’s competitors may seek to protect or gain market share through fare-matching or price-discounting, by offering more attractive flight schedules or services or by introducing new routes. There has been significant consolidation within the airline industry in recent years including, for example, the combinations of British Airways and Iberia in 2010, Lufthansa and Air Berlin in 2017 and Air Europa and International Airlines Group in 2021. Business combinations could significantly alter industry conditions and competition within the airline industry, and could enable the Group’s competitors to reduce their fares. In the event of any further industry consolidation by other key players, the Group’s market position, revenue and margins would likely be adversely affected.

The Group is also at risk of excess capacity in the market, resulting from decreases in demand for air travel or competitors increasing capacity and causing an oversupply in the marketplace, particularly as a result of the COVID-19 pandemic and low fuel prices. Excess capacity could result in increased pressure on fares or other forms of price competition. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to increase revenue per available seat. The prevalence of discount fares can be particularly acute when a competitor has excess capacity to sell. In addition to its fares, the Group could also face competition in relation to staff recruitment, slot availability and terminal allocation.

The airline industry competes with other modes of transport including train travel. The Group’s operations are concentrated across Europe where there is a significant and reliable rail network. If alternative modes of transport provide a more cost-effective means of travel or there is a change in

preference amongst airline travellers against using airlines in response to environmental restrictions and pressures, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

4.2 The Group is dependent on, and may be affected by, decisions relating to national and international infrastructure development.

The airports to which the Group flies may already be, or may become, congested or inaccessible due to a variety of factors, such as poor operational management, increased competitor capacity, environmental restrictions, changes in regulation, increases in airport charges and ineffective slot management. As a result of this congestion or inaccessibility, the Group is dependent on, and may be affected by, infrastructure decisions or changes in infrastructure policy by governments, regulators or other entities. Such changes in policy are often outside the Group's control including, for example, a decision to allow or delay additional runway capacity at an airport or the construction of a new airport. There is a risk that the costs of infrastructure projects could be passed on to the Group and there can be no guarantee that such projects will be completed on time or at all, which could impact the Group's operations. Over the longer-term, airport congestion or inaccessibility could lead to inefficiencies in the use of the Group's crews and aircraft and lower customer demand for the Group's services.

Airports which operate at or near their maximum runway capacity, including Gatwick Airport, require airlines to hold a slot to land and depart from such airports at a specific time. Airlines can lose the right to use of their slots if they do not operate flights which use them; for example, slot controlled airports in the European Union require airlines to use their allocated slots at least 80% of the time to retain access. In light of the COVID-19 pandemic, the European Commission has issued slot waivers to prevent airlines from losing slots if they do not operate flights. Whilst these waivers have now expired, a reduction of the 80% threshold to 50% is now in place for the 2021 summer season. To the extent the Group is not able to meet the applicable slot thresholds whilst the demand for air travel is impacted by the COVID-19 pandemic, the Group may lose some of its slots or need to operate unprofitable flights to protect them.

Given the departure of the United Kingdom from the European Union, the Group is also subject to two separate regimes for slot controlled airports. Any divergence in policy on slot allocation between the Airport Coordination Limited in the United Kingdom, and the European Commission in the European Union, could result in additional operational and administrative complexities for the Group and increase its costs.

A significant loss of slots and/or the operation of unprofitable flights to protect slots could prevent the Group from flying to key airports in the future and/or have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

5. Risks relating to macroeconomic and geopolitical conditions

5.1 Deterioration in macroeconomic conditions could reduce demand for the Group's services or increase operating costs.

The Group's business is affected by macroeconomic conditions outside of its control, including weakening consumer confidence, political uncertainty, fluctuating fuel prices, inflationary pressure, unemployment levels, availability of consumer credit, foreign exchange and financial market volatility and economic instability. For the most cost-conscious leisure travellers, travel is a discretionary expense. Whilst the Directors believe that the Group is well positioned to respond to changing consumer demand in the event of market volatility due to its attractive airport portfolio and relative price point, a reduction in the demand for air travel due to unfavourable economic conditions may result in excess capacity in the market and increased pressure on air fares depending on capacity and demand. Challenging macroeconomic conditions could also weaken the financial condition of the Group's key suppliers, hedge counterparties and other third parties and result in further disruption to the foreign exchange and jet fuel markets.

Airlines typically have relatively high fixed costs, much of which cannot be mitigated during periods of lower demand for air travel. As a result, the airline industry is particularly sensitive to changes in macroeconomic conditions. A reduction in the demand for air travel due to a recession or economic downturn also limits the Group's ability to raise fares to counteract increased fuel, labour and other costs. As a result, challenging macroeconomic conditions could put significant pressure on the Group's cash flows.

During the COVID-19 pandemic, governments in the Group's core markets have given unprecedented levels of support to national economies through grants, loans, tax deferral and other support to businesses and furlough and other schemes designed to maintain levels of employment. This has resulted in governments incurring large deficits. As the COVID-19 pandemic abates, some governments may enter a phase of fiscal consolidation, reducing support for national economies and seeking to rebalance public finances through spending cuts and/or increases in taxation. In some cases, high levels of governmental expenditure may result in inflationary pressures and currency devaluation. The economic consequences of such matters may be significant and may include increases in unemployment and the persistence of recessionary conditions in some of the Group's core markets.

Any of these factors could result in a reduction in demand for the Group's services or increase the Group's operating costs and materially adversely affect the Group's business, results of operations, financial condition and prospects.

5.2 The Group is exposed to fluctuations in foreign exchange rates.

The Group's financial statements are presented in pounds sterling. The Group's investments, liabilities, revenue and costs are denominated and generated in a range of currencies, including pounds sterling, US dollars, euros and Swiss francs and therefore the value of these balances and flows will be exposed to fluctuations in the US dollar, euro and Swiss franc rates with respect to sterling. The majority of the Group's liabilities are held in US dollars and euros. Although the Group partially hedges these liabilities using cross-currency swaps and foreign currency cash and cash equivalents, the Group is exposed to market risks relating to fluctuations in the exchange rates of both currencies against sterling.

Sustained adverse changes in exchange rates against sterling could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In particular, a strong US dollar typically increases the price of fuel, which represented 13.9% of the Group's operating loss for the six months ended 31 March 2021. A 10% increase in the US dollar against sterling as at 30 September 2020 would have led to a loss of £13 million on the Group's profit and loss after tax for the year ended 30 September 2020, assuming all other variables held constant. In addition, a 10% decrease in the euro against sterling as at 30 September 2020 would have led to a loss of £9 million on the Group's profit and loss after tax for the year ended 30 September 2020, assuming all other variables held constant.

Whilst the Group seeks to manage its foreign currency risk through hedging activity, there can be no assurance that such foreign currency risk management will be effective or that it will not subject the Group to additional costs or other risks. For example, in its results for the six months ended 31 March 2021, the Group reported that due to the sustained lower capacity during the COVID-19 pandemic, the Group had continued to see FX hedge ratios moving over 100% and had taken action to close out over-hedge positions to mitigate its exposure to volatility in the fair value of discontinued hedges. As a result of these trends, the Group recognised a net charge of £28 million for the six months ended 31 March 2021 for fair value adjustments related to the discontinuation of hedge accounting. If foreign currency hedging is not effective, the Group's results of operations and financial condition may be adversely impacted.

5.3 The Group is subject to risks relating to the United Kingdom's departure from the European Union.

On 29 March 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("**Brexit**"). On 24 January 2020, a withdrawal agreement was entered into between the European Union and the United Kingdom, setting out the terms of the United Kingdom's withdrawal. On 30 December 2020, the United Kingdom and the European Union agreed a trade and cooperation agreement which came into force on 1 May 2021 (the "**Trade and Cooperation Agreement**"). The Trade and Cooperation Agreement provides for, among other things, reciprocal rights for UK and EU airlines to operate on routes from the United Kingdom via intermediate points to points in the European Union, and vice versa, and respective air carrier rights including rights to fly across territories without landing and making stops in another party's territory to provide scheduled and non-scheduled air transport services.

Despite the legal implementation of the Trade and Cooperation Agreement, there remains significant uncertainty regarding how it will be implemented in practice, how the relationship between the United Kingdom and the European Union will develop in the coming years and how the changing relationship will affect travel and demand for the Group's services. As a result, the long-term effects of the United Kingdom's departure from the European Union will depend on the implementation of the Trade and Cooperation Agreement and any future agreement (or lack thereof) between the United Kingdom and the European Union and, in particular, any potential changes in the arrangements for the United Kingdom to retain access to EU markets. This uncertainty may be a source of instability for the European aviation market, which may create significant currency fluctuations and/or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether it is aviation specific regulation, pertaining for example to traffic rights, aviation safety and access to routes for commercial air transport services, or broader economic, tax, fiscal, legal or regulatory factors) for the foreseeable future.

There are also multiple EU Directives and Regulations which continue to determine how the Group operates. These include general business directives and regulations (for example, in relation to social security, consumers, competition and data protection) and aviation specific regulations relating to matters such as safety, security and operating licences. Any divergence in the rules under which the Group is required to operate could result in additional operational and administrative complexities for the Group and increase its costs.

The Group is also subject to European legislation (EU Regulation (EC) No. 261/2004 ("**EU 261**")) and equivalent UK legislation (the Air Passenger Rights and Air Travel Organisers' Licensing (Amendment) (EU Exit) Regulations 2019 ("**APR**")) in relation to compensating passengers for certain flight delays and cancellations (see "*—The Group is required to compensate passengers for certain flight delays and cancellations*" below). Whilst the EU 261 and APR immediately following the United Kingdom's departure from the European Union remain substantially aligned, the United Kingdom is no longer subject to any decisions made by the Court of Justice of the European Union made after 31 December 2020 on any EU retained law, including EU 261. As a result, there is a risk that future case law made by UK courts in relation to EU 261 and APR, and other EU retained law, is likely to diverge over time. This may create additional compliance and administrative complexities for the Group which will increase its costs.

The Group is also exposed to the risk that it may not be able to retain or attract the same number of EU staff and may need to hire a substantial number of new staff in order to comply with any reduction in immigration or any new labour and immigration laws introduced as a result of the United Kingdom's departure from the European Union. There can be no assurance that the Group will be able to retain or attract the same or similarly skilled employees as are currently employed.

Any of the foregoing may have a material adverse effect in the short-term on the Group's business, financial condition, results of operations and prospects.

5.4 The Group is exposed to counterparty credit risk.

The Group is exposed to the credit risk of non-performance by its counterparties in respect of receivable financial assets, which include cash and money market deposits, derivative financial instruments, and trade and other receivables. The Group is also exposed to the credit risk of non-performance by, amongst others, its insurance and hedge counterparties. If the relevant insurer is unable to meet its obligations under the insurance contract, for example if it becomes insolvent, the Group may not be able to recover its losses. In the case of default by a hedge counterparty, the Group may lose all or part of its deposits and investments or may lose the benefit from hedges signed with such counterparties. Any of the foregoing risks could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

6. Risks relating to the environment and sustainability risks

6.1 The Group's operations could be impacted by extreme weather events, rising temperatures and other physical impacts of climate change. In addition, the Group could incur significant costs seeking to mitigate its environmental impact and in responding to regulations designed to mitigate climate change.

Climate change has the potential to affect the Group's operations and broader business in a number of ways. In particular, if climate change results in more volatile weather, such as storms with greater

frequency and intensity, this could disrupt the Group's operations by reducing handling capacity at airports and ground transport access, closing certain airspaces and runways, delaying or cancelling flights or damaging the Group's assets. Such events, which are becoming increasingly difficult to predict, would result in higher disruption costs and reduce revenue, as well as having an adverse effect on the Group's reputation and customer experience. Changes in wind patterns and jet stream disruption as a result of climate change are also recognised as having the potential to increase turbulence, which could result in damage to aircraft and injury to customers, negatively affecting the Group's customer satisfaction and retention and increasing maintenance costs.

Customer attitudes to environmental and climate issues may also change and this may lead to reduced demand for air travel and reputational consequences for less environmentally conscious airlines and the airline industry as a whole. For example, some prospective customers in recent periods have chosen other forms of transport or abstained from travel to reduce their environmental impact due to a trend sometimes referred to as "flight shame", which is related to increased awareness of environmental and climate issues. As a result of the high levels of carbon emission associated with the airline industry, "flight shame" may lead some consumers to cut down on flying and choose other forms of transportation, such as rail travel. The degree to which "flight shame" will increase is uncertain and presents a material risk to the Group's results of operations, brand and reputation.

The operations of the Group are concentrated across Europe where there is a significant and reliable rail network, particularly in continental Europe. If alternative modes of transport provide a more cost-effective and/or sustainable means of travel or there is a change in preference amongst airline travellers or government initiatives against using airlines in light of environmental factors, this could have a material adverse effect on the Group. Destinations may also become unattractive for visitors. Extreme weather events, rising temperatures and other physical impacts of climate change, such as flooding, drought, forest fires, heat waves, rising sea levels and reduced snow cover in ski destinations, could make certain destinations less desirable and impact customer demand.

In addition, the Group may incur additional costs as a result of increasingly stringent environmental regulations (see "*—The Group may be subject to additional costs as a result of carbon trading schemes and greenhouse gas regulations*" below) and expectations from the Group's customers and investors regarding the use of low or zero-emission carbon aviation technologies. There can be no assurance that such technologies will mature or become commercially viable. In 2020, the Group introduced a carbon offsetting programme to offset all of its direct carbon emissions (Scopes 1 and 2) through initiatives that plant trees or avoid the release of additional carbon dioxide. Any failure to meet the objectives of this offsetting programme could adversely impact the reputation and financial performance of the Group.

6.2 *The Group may be subject to additional costs as a result of carbon trading schemes and greenhouse gas regulations.*

The Group participates in a number of carbon trading schemes and is subject to extensive regulations regarding greenhouse gas emissions, including the Carbon EU Emissions Trading System (the "**EU ETS**"). The airline industry was incorporated into the EU ETS in 2009 and the first carbon credit surrender took place in 2012. In 2016, the International Civil Aviation Organization (the "**ICAO**") announced an agreement on market-based measures to help stabilise airline emissions at 2020 levels. Under the Carbon Offsetting and Reduction Scheme for International Aviation ("**CORSIA**") agreement, airlines are required from 2021 onwards to compensate their emissions exceeding 2020 levels by purchasing emission reduction units. Due to the CORSIA agreement, all flights between countries in the EEA and third countries are currently exempt from the EU ETS. Changes to the current EU ETS model and/or future implementation of the CORSIA agreement could materially increase the costs for the Group and other airlines which operate internationally. Additionally, in June 2020, the UK Government announced that it was intending to establish a UK Emissions Trading System ("**UK ETS**"), which would apply to the aviation sector, with Phase I running from 2021 to 2030, and that it was open to considering a link between a future UK ETS and the EU ETS if it suited the interests of both sides. The price and number of allowances required to be purchased under these schemes, and any increase in such price or number, could have an adverse impact upon demand for air travel and/or reduce the profit margin per ticket for the Group.

Additional schemes or regulations on greenhouse gas emissions may be enacted in one or more of the countries in which the Group operates, or existing schemes and regulations may be closed,

replaced or amended. In addition, alternative forms of regulation, which do not rely on a carbon trading scheme to minimise the use of carbon and/or enhance environment protections, are emerging across Europe. For example, the European Union and Spain have proposed to require airlines to purchase sustainable aviation fuels, which are sold at a price premium compared with conventional jet fuel. Additionally, in July 2021, the European Commission announced that it was intending to introduce an EU-wide levy on heavily polluting fuels, such as kerosene used in aviation, as well as to phase out the provision of free carbon credits to the airline industry under the EU ETS.

Further adverse changes in regulation could result from political developments, including the United Kingdom's departure from the European Union, external pressure groups and/or increased support for international alignment in environmental standards. If the cost of carbon allowances and/or offsets significantly increases in the future, the cost of more efficient technologies significantly increases, or the allocation of free carbon allowances by the EU ETS or other relevant bodies changes, the Group may face a material financial risk. Any significant change in regulation could adversely impact the Group's ability to settle its EU ETS liability. All of these factors may limit the Group's operational flexibility, increase costs and therefore could have a material adverse effect on its business, results of operations, financial condition and prospects.

6.3 The Group is exposed to the risk of increased taxation and other financial penalties linked to the environmental impact of the Group's business.

Future policy measures and regulation to tackle the impact of aviation on climate change may result in additional measures, including additional taxation or financial penalties being imposed on airline operators, which may increase the costs to the Group or limit the Group's services and operations. A significant increase in existing aviation taxes and levies, or any expansion of the scope of such taxes and levies, could have an adverse impact on the Group's operations, margins and financial condition. If the climate-related taxes and levies which the Group is required to pay are not reduced or deferred during periods of poor financial performance in the airline industry, whether as a result of the COVID-19 pandemic or otherwise, the adverse impact of such taxes and levies on the Group's operations, margins and financial condition may be heightened.

Other financial penalties or policies linked to the environmental impact of the Group's business may also be introduced or increased, such as noise curfews and policies constraining the capacity and growth of the aviation industry. Any such financial penalties and further restrictions could have an adverse effect on the Group's business, results of operations, financial condition and prospects.

7. Risks relating to technology and cyber security

7.1 In 2020, the Group experienced a significant cyber-attack, as a result of which it may be subject to regulatory penalties and/or customer claims. The Group is exposed to the risk of further cyber security breaches, either impacting its own systems or the systems of key suppliers.

The Group faces both external cyber threats and internal risks to its data and systems, including user error and incorrect configuration or implementation of its systems. Such threats and risks also apply to the systems of key suppliers.

As part of the Group's ordinary business operations, the Group and certain of its key suppliers collect, process, transmit and store a large volume of personal data about passengers, prospective passengers or employees, including passport data, email addresses and home addresses and other sensitive information. In addition, certain of the Group's key suppliers collect, process, transmit and store financial data such as credit and debit card information. These personal data, as well as the systems that the Group and its key suppliers operate, may be vulnerable to theft, loss, misuse, damage and interruption due to unauthorised access, security breaches, cyber-attacks, phishing, computer viruses, ransomware, power loss, third-party incidents or other disruptive events.

A cyber security breach could result in lost revenue, injury to persons or property, sustained adverse media coverage, have a negative impact on customer and employee confidence in the Group's systems and negatively impact the Group's reputation, operations or continuity of services. The costs and operational consequences of defending against, preparing for, responding to and remediating an incident may be substantial. A material cyber security breach could also result in third party claims, class actions or the imposition of regulatory fines, sanctions or other penalties under the EU General Data Protection Regulation (2016/679/EU) ("GDPR"), the UK version of the GDPR (which is part of UK

law by virtue of the European Union Withdrawal Act 2018 and came into force on 31 December 2020) (“**UK GDPR**”) or otherwise (see “—*The Group is subject to data protection legislation. A material failure to comply with these laws may result in significant financial penalties and/or the risk of claims from customers and third parties*” below). Failure to promptly and effectively resolve any such cyber security breach could result in significant operational disruption, increase costs and have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

On 19 May 2020, the Group announced that it experienced a highly sophisticated cyber-attack which affected approximately nine million customers, whose email addresses and travel details were accessed, of which 2,208 customers also had their credit and debit card details accessed (the “**Cyber-Attack**”). As soon as the Group became aware of potential unusual activity on some of its systems, it took immediate steps to respond and manage the incident, including launching an investigation, with the support of leading experts and informing the National Cyber Security Centre. Investigations revealed that the Group was the victim of a cyber-attack and the Group notified the Information Commissioner’s Office (“**ICO**”). All customers affected by the Cyber-Attack have been notified of the incident. Customers whose payment card details were accessed were notified in April 2020.

The Cyber-Attack is under investigation by the ICO. Because the Cyber-Attack took place before the United Kingdom left the European Union, the Group expects the ICO to be investigating on behalf of all EU data protection authorities as lead supervisory authority under the GDPR. Any penalty or enforcement action will need to be reviewed and approved by the other EU data protection authorities under the GDPR’s cooperation process. In addition, in May 2020, a class action claim was filed in the UK High Court by a law firm representing a class of affected customers and claims have also been commenced or threatened in certain other courts and jurisdictions. The likely outcome and potential impact on the Group of the investigation by the ICO, group action and other claims are subject to a number of significant uncertainties and therefore the Group is unable to assess the likely outcome or quantum of the claims as at the date of this Prospectus.

The outcome of the investigation and related legal claims by the affected customers are uncertain but may have a material adverse effect on the Group’s reputation and its business, results of operations, financial condition and prospects.

7.2 The Group is reliant on critical technologies, including proprietary and licenced systems and technologies owned and licenced by key suppliers to the Group. Any failure of such technologies could materially affect the Group’s operations.

The Group relies on a number of critical technologies that are key to the delivery of essential business processes, including operational, commercial and financial systems. The Group’s key operational and commercial systems include those which manage its internet bookings, online check in, flight planning and flight operations. Some of these systems are operated by the Group and others by key suppliers to the Group. A loss of control over such systems or access to the premises and facilities which host the Group’s IT infrastructure, including the easyJet website and operations control centre, or a failure which results in the loss or corruption of data could lead to significant disruption, flight safety incidents, increases in operating costs, or sustained adverse media coverage and reputational damage. Critical technology failure could result from a destructive cyber-attack, hardware failure, aged infrastructure, outage at a data centre or changes to the technology which the Group relies on and could result in fines or sanctions being imposed. Disruption or loss of access to key systems, premises or facilities as well as the failure of any key suppliers could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

8. Risks relating to the legislative and regulatory landscape

8.1 easyJet is subject to requirements to maintain majority share ownership and control by EEA (including Swiss) shareholders and a breach of these requirements could result in easyJet losing its licence to operate in the European Union.

Under Regulation (EC) No 1008/2008 on common rules for the operation of air services in the Community (the “**Air Services Regulation**”), an EU member state may only license an air carrier to operate airline services, and that air carrier may only maintain the relevant licence, if the majority of its share capital is owned, and the carrier is effectively controlled, directly or indirectly, by member states of the EEA or their nationals (including Switzerland and Swiss nationals) (“**EU Nationals**”) (the “**Ownership and Control Requirement**”).

At the end of the Brexit transition period on 31 December 2020, UK nationals ceased to be EU Nationals. In order to mitigate the risk that easyJet's subsidiary air operating companies which hold EU operating licences (the "EU AOCs") do not satisfy the Ownership and Control Requirement, easyJet's Austrian EU AOC (the principal operating subsidiary of the group in the EU) submitted plans on ownership and control to its competent licencing authority (the "Remedial Plan"). The Remedial Plan involves the implementation of mechanisms in easyJet's Articles of Association that allow easyJet to take action, if necessary, to ensure that its EU AOCs continue to satisfy the Ownership and Control Requirement. easyJet UK Limited was not required to submit a remedial plan to its competent licencing authority in the United Kingdom, being the Civil Aviation Authority, as a result of existing arrangements in place under section 66 of the Civil Aviation Act 1982 which governs the retention charter and scheduled route licences (C/9 and S/9 respectively) that easyJet UK Limited holds. Section 66 of the Civil Aviation Act 1982 requires that the holder of a route licence be either a UK national, or a body which is controlled by UK nationals. In order for UK airlines, including easyJet UK Limited, to continue to hold a UK operating licence following the United Kingdom's departure from the European Union, they needed to demonstrate that their principal place of business was in the United Kingdom. easyJet UK Limited has satisfied these requirements.

The European Commission was also notified about the Remedial Plan by the applicable competent licensing authority. Whilst the Remedial Plan did not require European Commission approval, as with all EU operating licences, the European Commission has the right under EU law to investigate and, where appropriate, request the competent licensing authority to implement corrective measures. The applicable licensing authority has confirmed that implementation of the Remedial Plan would result in continued compliance with the Ownership and Control Requirement.

If easyJet's EU AOCs fail to comply with the Ownership and Control Requirement and any remediation steps required by the European Commission, easyJet could lose the ability to operate airline services in the EU, which could have a material adverse effect on easyJet's operations, financial condition and prospects. See further "*—Shareholders may be disenfranchised or be required to sell their Shares as a result of the requirement for easyJet to remain majority owned and controlled by EEA (including Swiss) shareholders in order to maintain its licence to operate in the European Union*" below for a discussion of considerations for non-EU National shareholders in the context of the Rights Issue.

8.2 The Group is subject to extensive and changing legislative, regulatory and tax requirements affecting the airline industry. Failure by the Group to comply with existing or future requirements could have a material impact on the Group's costs of operation, lead to investigations and increase the risk of the Group incurring financial and other penalties or reputational damage.

The Group is subject to extensive and changing legislative and regulatory requirements, in particular in jurisdictions (namely, Austria and Switzerland) where the Group holds EU operating licences, the United Kingdom (where the Group holds a UK operating licence) and more generally at the European level. The scope of such laws and regulations includes (among other things) infrastructure issues relating to slot capacity and route flying rights, environmental and security requirements, safety, employment and health and safety, licensing, competition, data protection, customer protection (including refunds) and tax. Failure by the Group to comply with such laws and regulations could lead to investigations by regulators, fines, penalties, claims and/or reputational damage, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Moreover, a material breach of these requirements could result in the Group losing its EU and UK operating licences.

As a result of the Group's European-wide operations, the Group is required to comply with multiple internationally agreed tax regimes across Europe and in the United Kingdom. These include rules impacting on taxation of payments made, and services supplied across borders, between member states and the United Kingdom. Some of these rules operate differently as a result of the United Kingdom ceasing to be a member state, increasing the exposure to tax charges, associated administrative and compliance burden and potential tax related audits and disputes with taxation authorities in the United Kingdom and in other jurisdictions including the EU member states, relating to a whole range of different forms of corporate taxation, withholding taxes, and more industry focussed forms of taxation such as the Air Passenger Duty and the Tour Operator Margin Scheme.

Certain markets in which the Group operates are subject to government regulation aimed at controlling capacity and restricting market entry. Relaxation or tightening of such controls and restrictions could impact the Group's ability to compete with other airlines and therefore have a material adverse effect on the Group's financial condition and results of operations.

Changes to legislative and regulatory requirements occur frequently. Additional laws, regulations and taxes have been proposed from time to time that, if implemented, could significantly increase the cost of airline operations, reduce revenue and/or result in fines, sanctions and penalties if not adhered to, including the revocation of or restrictions on the Group's operating licences. The Group is also exposed to legislative and regulatory oversight in all countries where it sells its product via local language websites. New regulations relating to compensation, consumer protection, IT and data privacy, environmental protection or airport operations could have a negative impact on the Group's costs and business model. For example, more safety and/or security requirements could impact the Group's ability to manage quick turnarounds and therefore may compromise aircraft utilisation or may impose additional costs. The Group's ability to keep well informed of, adapt to and comply with any regulatory changes is key to maintaining its operational and financial performance. Any such new legislation or regulations could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group also has a number of company-wide policies, including an anti-bribery and corruption policy based on applicable laws, as well as a gifts and hospitality policy. There can be no assurance that violations of the Group's internal corporate governance requirements will not occur, either deliberately or through employee or agent ignorance. In the event violations do occur, they could have material adverse effects on the Group's reputation and employee and customer trust, and result in fines, additional compliance costs and sustained adverse media coverage.

8.3 The Group is subject to data protection legislation. A material failure to comply with these laws may result in significant financial penalties and/or the risk of claims from customers and third parties.

The Group's operations involve the processing and storage of large quantities of personal data relating to its customers, employees and other parties, including debit and credit card numbers, passport data, booking and loyalty data and other personal information.

As a result of these operations, the Group is subject to a number of complex laws relating to personal data and privacy, including the GDPR, the UK GDPR, the United Kingdom's Data Protection Act 2018 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the e-Privacy Directive, as well as other relevant EEA and non-EEA data protection and privacy laws and equivalent legislation. The requirements of these laws may affect the Group's ability to collect, use and transfer personal data relating to its customers and others, and also to plant and use cookies and other tracking or analytical technology in a way that is of commercial use to the Group if the Group does not ensure its adherence to appropriate compliance procedures. Failure to comply with such data privacy laws and regulations may lead to complaints by individual data subjects, investigations by regulators, fines, penalties, claims and reputational damage. The Group is currently subject to an investigation by ICO and related legal claims by customers affected by the Cyber-Attack (see "*In 2020, the Group experienced a significant cyber-attack, as a result of which it may be subject to regulatory penalties and/or customer claims. The Group is exposed to the risk of further cyber security breaches, either impacting its own systems or the systems of key suppliers*" above).

The GDPR and UK GDPR introduce a bundle of rights exercisable by individuals to access, delete, transport and correct their personal data and to object to the processing of it. They also require organisations to have appropriate technical and organisational measures in place to protect personal data. Should the ICO or an EU data protection regulator conclude that a breach of confidentiality or other data security failure was a result of the Group not having adequate technical and organisational security measures in place (or a result of any other breach of the GDPR or UK GDPR), the Group could face significant fines, with the maximum fine for the most serious compliance failures set at the higher of €20 million (£17.5 million under UK GDPR) or up to 4% of the annual worldwide group turnover.

In June 2021, the European Union granted an adequacy decision in favour of the United Kingdom. As a result of this decision, transferring personal data between the United Kingdom and EEA has remained straightforward following the United Kingdom's departure from the European Union.

However, the Company may face additional challenges when seeking to transfer personal data from the United Kingdom and EEA to outside countries due to regulatory updates in relation to the European Union's standard contractual clauses ("**SCCs**") (a GDPR-permitted means of legitimately transferring personal data internationally). The European Union has recently published an updated set of SCCs, but the ICO is developing its own set of SCCs for UK companies, which may deviate from the European Union's SCCs. As a result, there will be an additional compliance burden to implement the EU SCCs, and potentially an even more onerous compliance burden if the ICO's UK-specific SCCs materially deviate from the European Union's, resulting in higher compliance costs for the Group. There is an additional risk that, irrespective of the current adequacy decision, future case law made by UK courts in relation to UK GDPR, and other EEA data protection laws, may diverge over time. Any divergence in the rules under which the Group is required to operate in respect of GDPR and UK GDPR could result in additional operational and administrative complexities for the Group and increase its costs.

Additionally, the Group may be subject to claims for material and non-material damage from groups of affected customers and employees (see "*In 2020, the Group experienced a significant cyber-attack, as a result of which it may be subject to regulatory penalties and/or customer claims. The Group is exposed to the risk of further cyber security breaches, either impacting its own systems or the systems of key suppliers*" above). The cost of regulatory or legal action, and any reputational damage suffered, as a result of an actual or alleged breach of data protection legislation could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

8.4 The Group is required to compensate passengers for certain flight delays and cancellations.

Under EU 261 and APR, the Group and other airlines are required to compensate and provide assistance to passengers for certain flight delays and cancellations. In particular, the legislation provides for compensation in a cash amount equal to €250/£220, €400/£350 or €600/£520 per passenger, depending on the length of the flight, with short-haul flights typically subject to compensation in an amount equal to €250/£220 per passenger where this is due. In certain circumstances, the Group must offer customers the option of a refund of the cost of the unused ticket. Only when the airline can prove that a flight delay or cancellation was caused by extraordinary circumstances which could not have been avoided even if all reasonable measures had been taken, is it not required to compensate the affected passengers.

Depending on the length of delay or cancellation, passengers may also be entitled to welfare assistance from an airline, including reimbursement for meals, drinks and telephone calls, as well as hotel accommodation, depending on the length of the delay. Welfare assistance is applicable irrespective of the reason for the delay or cancellation, so long as affected passengers are delayed for a minimum of a two hour period.

The demand for refunds, compensation and welfare assistance can have a significant impact on the Group's cash flow. There can be no assurance that the Group will be able to manage all circumstances that may give rise to such delays and/or cancellations. In circumstances where the delay and/or cancellation is deemed to be within the Group's control, the Group may suffer reputational damage and would likely be required to refund the flight and pay welfare expenses to affected passengers, including meals, drinks and telephone calls, as well as hotel accommodation, depending on the length of the delay. Although the Group maintains and regularly assesses its provision for EU 261 / APR compensation and other similar compensation payable in respect of flight delays and cancellations, any such claims relating to a significant and widespread disruption of the Group's operations could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

9. Risks relating to the Group's employees

9.1 Many of the Group's and its key suppliers' employees are members of trade unions. Significant industrial action could have a material adverse effect on the Group.

The Group has a significant number of employees who are members of trade unions. Each of the European countries in which the Group operates has localised employment terms and conditions. As a result, 24 trade unions across eight countries represent the Group's pilots, crew and engineers. The Group's suppliers also have key third party service providers whose employees are members of trade

unions. The Group and its suppliers regularly negotiate with a number of the unionised groups including pilots, cabin crew, ramp staff and engineering staff. Whilst collective bargaining and other agreements with these unions takes place regularly, a breakdown in the bargaining process could lead to strikes or other industrial action being taken by the Group's employees, or by the employees of key third party service providers, which could impact on the Group's ability to maintain its flight schedules and prevent the Group from using its aircraft fleet efficiently. Significant industrial action could result from employee dissatisfaction, changes to localised employment terms and conditions and/or political unrest.

The Group has experienced strikes in the past and there can be no assurance that the Group's operations will not be impacted by strikes or other industrial action in the future. Any drawn out dispute including the prospect of strikes or other industrial action, even if it does not ultimately result in strikes or other industrial action taking place, could have a material adverse effect on the Group's reputation and operations, result in sustained adverse media coverage, increase costs, have a negative impact on customer and employee confidence and cause consumers to book with the Group's competitors. Any such strike or other industrial action, or any threat of a strike or other industrial action, could result in interruptions, delays or cancellations in service to the Group's customers and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

9.2 *The Group is undertaking a major restructuring and cost-out programme which may not achieve its objectives and harm the Group's reputation.*

As a result of the COVID-19 pandemic, the Group is undertaking a major restructuring and cost-out programme. In 2020, the Group notified its trade unions of a proposed restructuring and cost-out programme and began consultation with employee representatives. Under this proposal, up to 30% of the Group's headcount costs are expected to be cut. Consultation processes in every country except Italy have been concluded, with agreements having been reached with unions. Agreement has also been reached on a two-year pay freeze across seven countries, and approximately 30% of the Group's UK-based pilots have moved to seasonal contracts, agreeing to work during the peak months only. The Group reported restructuring charges associated with employee redundancies for the year ended 30 September 2020 of £123 million. For the six months ended 31 March 2021, the Group reported a £25 million credit arising from a release of restructuring provisions following constructive negotiations with unions. Ongoing discussions with union representatives resulted in a further release of approximately £25 million from the restructuring provision. This was due to a change in the nature of the restructuring activities as the programme continues to progress to completion.

There can be no assurance that employee redundancies will not place additional strain on the Group's management, systems, internal controls and operational, financial and personnel resources. If the Group is required to undertake further cost reduction initiatives in the future, the Group's operations may be materially impacted and it may incur additional costs in the short-term. There is also a risk that further restructuring activities may harm the Group's reputation due to negative government or media attention and could adversely affect the Group's relationship with trade unions and employees. Any strike or other industrial action, or any threat of a strike or other industrial action, in response to further restructuring activities could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

9.3 *The Group's success depends on its ability to attract and retain talent and changes to the senior management team could lead to operational or strategic uncertainty.*

The Group's current and future success depends upon the efforts, abilities and knowledge of its personnel, including the management team and other key employees. Competition for highly qualified personnel within the aviation industry is intense, and there can be no guarantee that members of management or key personnel will remain employed by the Group.

Any loss of members of management or key personnel, due to resignation, dismissal or absence may result in the loss of industry specific knowledge as well as relationships with key suppliers, airport authorities, slot coordinators, trade unions and other representative bodies. If an adequate replacement cannot be found within a suitable time period, the loss of any key management personnel could lead to operational or strategic uncertainty, and the inefficient use of resources.

Failure to attract key talent could also adversely affect the Group's ability to deliver its strategic objectives and lead to financial and operational underperformance. Any of the foregoing factors could

have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

10. Risks relating to the Rights Issue

10.1 Shareholders may be disenfranchised or be required to sell their Shares as a result of the requirement for easyJet to remain majority owned and controlled by EEA (including Swiss) shareholders in order to maintain its licence to operate in the European Union.

In order for easyJet to continue to operate flights across Europe and domestically within European countries after the United Kingdom left the European Union, in 2017 easyJet applied for an airline operating licence from Austria's Federal Ministry for Transport, Innovation and Technology and established a new airline, easyJet Europe Airline GmbH, headquartered in Vienna, Austria. Under the Air Services Regulation, an EU member state may only license an air carrier to operate airline services, and that air carrier may only maintain the relevant licence, if the majority of its share capital is owned, and the carrier is effectively controlled, directly or indirectly, by EU Nationals.

On 23 December 2020, the Board passed resolutions, pursuant to existing mechanisms in easyJet's Articles of Association, to ensure continued compliance with the Ownership and Control Requirement following the end of the Brexit transition period on 31 December 2020. Accordingly, and in line with its Brexit contingency plans, the Board resolved to set a permitted maximum level of ownership of Shares by non-EU Nationals (the "**Relevant Persons**") of 49.5% (the "**Permitted Maximum**").

As at 1 January 2021, the level of ownership of the Company's Shares by EU Nationals was 47.35% and the level of ownership by Relevant Persons was 52.65%. The Company has exercised the provisions under its Articles of Association which allow the Directors to suspend voting rights attached to Shares held by Relevant Persons to the extent that such holdings cause the Permitted Maximum to be exceeded (the "**Affected Shares**"). Relevant Persons are not permitted to attend, speak or vote at the Company's general meetings in respect of Affected Shares. The voting rights suspension has been applied on the basis of a "last in, first out" ("**LIFO**") principle, such that Shares most recently acquired by Relevant Persons will fall to have voting rights suspended first. Relevant Persons' Shares are correspondingly re-enfranchised and cease to be Affected Shares in the same order in which they were designated as Affected Shares. As a result of the implementation by the Company of these provisions of its Articles of Association, as at the Latest Practicable Date, a majority of the voting rights in the Company are held by EU Nationals.

In connection with the Rights Issue the Directors have determined that the LIFO principle will be adopted in respect of Shareholders' and other investors' participation in the Rights Issue. Accordingly, Shares acquired as a result of the take up of Nil Paid Rights by a Shareholder or other investor who qualifies as a Relevant Person would be treated as Affected Shares and would fall to have voting rights suspended, if at all, in priority to those of any Shareholder or investor who took up Nil Paid Rights at an earlier time and all such Affected Shares will correspondingly be re-enfranchised and cease to be Affected Shares in the same order in which they were designated as Affected Shares. The Directors have agreed a protocol with the Company's Registrars, Equiniti, to determine the order in time at which rights are taken up or otherwise acquired by Shareholders and other investors in the Rights Issue and accordingly the order of priority in which New Shares acquired by non-EU Nationals in the Rights Issue shall be designated as Affected Shares if, following completion of the Rights Issue, the proportion of Shares held by non-EU Nationals exceeds the Permitted Maximum. Pursuant to the protocol agreed with Equiniti, for CREST Shareholders, the date and time for the take up of Nil Paid Rights or acquisition of Fully Paid Rights will be such date and time the CREST Shareholder submits their application through CREST. For non-CREST Shareholders, this will be the date and time the requisite details from the Provisional Allotment Letters or CSN Forms of Instruction are recorded by Equiniti following a multi-step verification, batching and processing procedure. Pursuant to the protocol, the Directors have discretion to determine the outcome in the event there is any uncertainty as to how the protocol should apply to any specific circumstance or in the event it is impossible to ascertain which of any two or more actions occurred first in time (including by designating as Affected Shares a proportion of some or all of the New Shares acquired by certain non-EU Nationals in the Rights Issue. In accordance with the Company's Articles any decision taken by the Directors as to the designation of a Shareholder as a Relevant Person and/or the designation of a Share as an Affected Share shall be final and conclusive and shall not be open to challenge on any ground whatsoever.

As at the Latest Practicable Date, the proportion of Shares designated as Affected Shares was 5.02%. In connection with the Rights Issue, it is possible that, as a result of differing levels of take-up between EU Nationals and non-EU Nationals, the proportion of Shares held by non-EU Nationals may increase significantly and that accordingly a larger proportion of the Shares are required to be treated as Affected Shares in order to comply with the Air Services Regulation. Specifically, if EU Nationals (including Sir Stelios Haji-Ioannou) do not take up their Nil Paid Rights in full and a material portion of such rights are acquired or taken up by non-EU Nationals, the proportion of Shares designated to be Affected Shares may increase significantly. This may result in the proportion of the shareholdings of some or all of the Relevant Persons being designated to be Affected Shares increasing significantly. This may also result in the duration of the period in which any Share is treated as an Affected Share increasing materially.

easyJet has engaged extensively with relevant regulators and as a result is confident that this suspension of voting rights enables easyJet to continue to comply with all relevant regulations including the Ownership and Control Requirement, however there can be no assurance that, in the future, an applicable regulator may determine that such measures are insufficient to ensure such compliance. In such circumstances, should the Board deem it necessary, easyJet retains the right to activate the provisions of its Articles of Association which permit the Company to compel Relevant Persons to sell their Shares to EU Nationals and in certain circumstances to refuse to register the transfer of Shares to Relevant Persons. As a result, these measures could have a material adverse effect on the market for, or liquidity of, the New Shares, the Nil Paid Rights and/or the Fully Paid Rights and/or the market price of the New Shares, the Nil Paid Rights and/or the Fully Paid Rights may be adversely impacted.

In addition, easyJet has in the past discussed and may in the future, including as a result of any change to relevant regulatory requirements, discuss with the FCA the Company's application of the LIFO principle to determine which Shares are treated as Affected Shares for the purposes of disenfranchisement. The Company may in the future be required to adopt an alternative basis for determining which Shares are treated as Affected Shares for the purposes of disenfranchisement, such as designating an equal proportion of all shares held by non-EU Nationals to be Affected Shares. This could result in certain non-EU Nationals who are Shareholders being subject to disenfranchisement in circumstances where under the LIFO principle they would not be subject to disenfranchisement.

10.2 The market price of the New Shares, the Nil Paid Rights and/or the Fully Paid Rights may fluctuate.

The share prices of publicly traded companies can be highly volatile. The market price of the New Shares, the Nil Paid Rights and/or Fully Paid Rights could be subject to significant fluctuations due to a change in sentiment in the market regarding the securities, including, in particular, in response to various facts and events, including any regulatory and tax changes affecting the Group's operations, variations in the Group's operating results and financial position or business developments of the Group or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, large sales or purchases of shares (including as a result of speculative activity), the publication of research analysts' reports regarding the Group, its competitors or the aviation sector generally, and general economic conditions unrelated to the Group's actual performance or conditions in its key markets, such as the impact of COVID-19 on the Group's business. Stock markets have, in recent periods, 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. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. General fluctuations in stock markets could have a material adverse effect on the market for, or liquidity of, the New Shares, the Nil Paid Rights and/or the Fully Paid Rights regardless of the Group's actual operating performance. In particular, the trading price of the Existing Shares may drop below the Issue Price in the Rights Issue, impacting the existing Shareholders' decision on whether to participate in the Rights Issue.

10.3 Shareholders may experience dilution in their ownership of the Company as a result of the Rights Issue.

The economic and voting interests of Shareholders who do not participate in the Rights Issue will be diluted by 39.7% as a result of the Rights Issue.

A Shareholder who participates in the Rights Issue but does not take up their rights in full may also experience dilution. There can be no certainty that this dilution will be compensated by way of the proceeds of the sale of any rights not taken up by Shareholders.

10.4 The Company may issue additional shares or securities in the future, which may adversely affect the market price of the Shares and dilute the holdings of Shareholders.

Other than in connection with the Rights Issue or pursuant to employee share plans, the Group has no current plans for any offering of its shares or securities or of rights or invitations to subscribe for Shares in the next 12 months. However, the Group may offer additional shares or securities, including future public offerings or private placements of shares or securities that are convertible into or exercisable for Shares in the Company, for capital raising purposes or for other business purposes. Any such offering by the Group, or the public perception that an offering may occur, could have an adverse effect on the market price of the Shares and dilute the holdings of Shareholders. In such cases, the offering price, conversion price or exercise price may also be below the Issue Price or the prevailing market price of the Shares.

10.5 The Company's dividend policy will depend on the financial condition of the Group.

Under English company law, a company can only pay cash dividends to the extent that it has sufficient distributable reserves and cash available for this purpose. The Group may decide to use all or part of such cash for another purpose, for example, to invest in and further develop the Group's business.

There is no guarantee that the Group will be able to make dividend payments in the future, or to sustain dividend payments at any particular level. Any decision to declare and pay dividends in the future (whether paid in cash or in the form of a scrip dividend) will be made at the discretion of the Board and will depend on, among other things, applicable law, regulation, the Group's financial position, working capital requirements, finance costs, general economic conditions and other factors the Board deems significant from time to time. The Group's ability to pay dividends will also depend on the level of dividends and other distributions, if any, received from its subsidiaries. To the extent that the Group or its subsidiaries experience an adverse effect on their results of operations, cash flows or financial condition, or such other relevant factor, the Board may decide at its discretion to decrease the amount of dividends, change or revoke the dividend policy or discontinue paying dividends entirely. In particular, as a result of the impact of the COVID-19 pandemic on the Group, and the losses incurred, the Board last year withdrew dividend guidance and did not recommend the payment of a dividend for the year ended 30 September 2020.

Due to the impact of COVID-19 on the Group's operations and financial condition, as discussed elsewhere herein, the Board cannot be certain when it will resume making payments of dividends in the future. If the Group continues to postpone its payment of dividends, the market price of the New Shares, the Nil Paid Rights and/or the Fully Paid Rights may be adversely impacted.

10.6 Shareholders outside the United Kingdom may not be able to exercise pre-emption rights or participate in future equity issues.

The securities laws of certain jurisdictions outside the United Kingdom may restrict the participation by, or the Group's ability to allow participation of, certain Shareholders in such jurisdictions in any future issues carried out by the Group of New Shares or of other securities. In the case of a future allotment of New Shares for cash, the then-existing Shareholders will have certain statutory pre-emption rights unless those rights are disapplied by a special resolution of the Shareholders at a general meeting. An issue of New Shares not for cash, or when pre-emption rights have been disapplied, could dilute the ownership and voting interests of the then-existing Shareholders.

Even where pre-emption rights do apply, Shareholders who are located in the United States may not be able to exercise their pre-emption rights unless a registration statement under the US Securities Act is effective with respect to such rights or an exemption from the registration requirements thereunder is available. There can be no assurance that the Group will file any such registration

statement, or that an exemption to the registration requirements of the US Securities Act will be available, which would result in Shareholders in the United States being unable to exercise their pre-emption rights.

Any of the foregoing may result in the Group being unable to raise funds to meet its business requirements and adversely impact the market price of the New Shares, the Nil Paid Rights and/or the Fully Paid Rights which in turn could adversely affect the Group's business, results of operations, financial condition and prospects.

10.7 Overseas Shareholders may not and holders of ADRs will not be able to acquire New Shares in the Rights Issue.

Securities laws of certain jurisdictions may restrict easyJet's ability to allow participation by certain Shareholders in the Rights Issue. In particular, and subject to certain exceptions, Shareholders who are located in the United States may not be permitted to exercise their entitlements under the Rights Issue unless an exemption from the registration requirements is available under the US Securities Act. The New Shares, the Nil Paid Rights and/or the Fully Paid Rights have not been and will not be registered under the US Securities Act. In addition, holders of ADRs will not be permitted to receive Provisional Allotment Letters or CSN Forms of Instruction, exercise their Nil Paid Rights or Fully Paid Rights or subscribe for New Shares. Any entitlement under the Rights Issue in respect of the Shares represented by ADRs will be governed by the terms of the Deposit Agreement and, as such, it is expected that they will, to the extent practicable, be sold by the Depositary, being Citibank N.A., and the proceeds, if any, of that sale would be distributed to holders of ADRs. Distribution of such proceeds would be net of any distribution fees payable to the Depositary and other charges or expenses incurred by the Depositary, and taxes. Securities laws of certain other jurisdictions may restrict easyJet's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by easyJet.

10.8 The ability of non-UK Shareholders to bring actions or enforce judgments against the Group or the Directors may be limited.

The ability of a Shareholder from countries other than the United Kingdom to bring an action against the Group may be limited under law.

The Company is a public limited company incorporated in England and Wales. The rights of Shareholders are governed by English law and by the Articles of Association. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The majority of the Directors and executive officers of the Company are residents of the United Kingdom. Consequently, it may not be possible for an overseas Shareholder to effect service of process upon the Directors and executive officers within the overseas Shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the United Kingdom against the Directors or executive officers who are residents of the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on 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.

10.9 Non-UK Shareholders may face currency exchange risks by investing in the New Shares, the Nil Paid Rights and/or the Fully Paid Rights.

The New Shares, the Nil Paid Rights and the Fully Paid Rights are denominated in pounds sterling, and any dividends to be paid in respect of the New Shares, the Nil Paid Rights and the Fully Paid Rights will be denominated in pounds sterling. As a result, an investment in the New Shares, the Nil Paid Rights and the Fully Paid Rights by an investor whose principal currency is not pounds sterling exposes the investor to currency exchange rate risk that may impact the value of the investment in the New Shares or any dividends paid to such investor.

10.10 *An active trading market may not develop in respect of the Nil Paid Rights or the Fully Paid Rights.*

The Nil Paid Rights will not be admitted to trading on any exchange other than the LSE. An active trading market in the Nil Paid Rights or the Fully Paid Rights may not develop on the LSE during the trading period. As the trading price of the Nil Paid Rights and the Fully Paid Rights depends on the trading price of the Shares, the Nil Paid Rights and the Fully Paid Rights prices may be volatile and subject to the same risks as noted above.

PART III

IMPORTANT INFORMATION

1. General

The Company will update the information provided in this document by means of a supplement if a significant new factor that may affect the evaluation by prospective investors of the Rights Issue occurs after the publication of this document or if this document contains any material mistake or substantial inaccuracy. This document and any supplement will be subject to approval by the FCA (as competent authority under the UK Prospectus Regulation) and will be made public in accordance with the Prospectus Regulation Rules. If a supplement to this document is published prior to Admission of the New Shares, investors shall have the right to withdraw their applications for New Shares made prior to the publication of the supplement. Such withdrawal must be made within the time limits and in the manner set out in any such supplement (which shall not be shorter than three Business Days after publication of the supplement).

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the UK Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules, neither the delivery of this document nor any issue or sale made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company or of the Company and its subsidiaries taken as a whole since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

2. Forward-looking statements

This document includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this document, including, without limitation, those regarding the Group's intentions, beliefs or current expectations concerning, among other things, their future financial condition and performance and results of operations; their strategy, plans, objectives, prospects, growth, goals and targets; future developments in the industry and markets in which the Group participate or are seeking to participate; and anticipated regulatory changes in the industry and markets in which the Group operate. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "project", "should" or "will" or, in each case, their negative, or other variations or comparable terminology.

By their nature, forward-looking statements are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Shareholders and potential investors are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial condition, results of operations, distributions to shareholders and the development of their financing strategies, and the development of the industry in which they operate, may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if their financial condition, results of operations, distributions to shareholders and the development of their financing strategies, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements should, therefore, be construed in light of the foregoing risk factors and the other factors identified in Part II of this document entitled "Risk Factors". The key risk factors identified relate to:

- The impact of the COVID-19 pandemic;
- The Group's business and operations;
- The Group's financial condition;
- The airline industry;
- Macroeconomic and geopolitical conditions;

- The environment and sustainability risks;
- Technology and cyber security;
- The legislative and regulatory landscape;
- The Group's employees; and
- The Rights Issue.

Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are made as at the date of this document and are not intended to give any assurance as to future results. The Group will update this document as required by applicable law, including the Listing Rules, Prospectus Regulation Rules, MAR, the Disclosure Guidance and Transparency Rules, the requirements of the LSE, but otherwise the Group and the Banks expressly disclaim any obligation or undertaking to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. You are advised to read this document and the information incorporated by reference into this document in their entirety, and, in particular, in Part I (*Summary*) and Part II (*Risk Factors*), Part X (*Business Overview of the Group*) and Part XIV (*Operating and Financial Review*) of this document. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document and/or the information incorporated by reference into this document may or may not occur. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital.

3. Market and industry data

Certain information in this document has been sourced from third parties. Where information in this document has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

All information contained in this document which has been sourced from third parties has been accurately reproduced and, as 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.

All references to market data, industry statistics and forecasts and other information in this document consist of estimates based on data and reports compiled by industry professionals, organisations, analysts, publicly available information or the Company's own knowledge of its sales and markets.

Market data and statistics are inherently speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (1) the markets may be defined differently, (2) the underlying information may be gathered by different methods and (3) different assumptions may be applied in compiling the data. Accordingly, the market statistics included in this document should be viewed with caution.

4. Presentation of financial and other information

4.1 Sources of financial information

Unless otherwise indicated, the financial information included in this document has been extracted without material adjustment from the following sources:

- the unaudited interim financial statements of the Group as at and for the six months ended 31 March 2021 (the "**2021 Interim Financial Statements**") included in the Group's 2021 half-year results announcement dated 20 May 2021 (the "**easyJet Half-Year Results 2021**");
- the consolidated financial statements of the Group as at and for the year ended 30 September 2020 (the "**2020 Annual Financial Statements**") included in the Group's 2020 annual report made available to shareholders on 23 November 2020 (the "**easyJet Annual Report 2020**");

- the consolidated financial statements of the Group as at and for the year ended 30 September 2019 (the “**2019 Annual Financial Statements**”) included in the Group’s 2019 annual report made available to shareholders on 4 December 2019 (the “**easyJet Annual Report 2019**”); and
- the consolidated financial statements of the Group as at and for the year ended 30 September 2018 (the “**2018 Annual Financial Statements**” and, together with the 2020 Annual Financial Statements and the 2019 Annual Financial Statements, the “**Annual Financial Statements**”) included in the Group’s 2018 annual report made available to shareholders on 20 November 2018 (the “**easyJet Annual Report 2018**”).

The 2021 Interim Financial Statements and the Annual Financial Statements (collectively, the “**Financial Statements**”) are incorporated by reference into this document as set out in Part XVIII (*Documentation Incorporated by Reference*) of this document. The Financial Statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”).

The 2019 figures included herein have been extracted without material adjustment from the unaudited comparative figures in the 2020 Annual Financial Statements and the 2018 figures included herein have been extracted without material adjustment from the unaudited comparative figures in the 2019 Annual Financial Statements.

PricewaterhouseCoopers LLP (“**PwC**”) reviewed the 2021 Interim Financial Statements and audited the Annual Financial Statements. The review and audit reports on the Financial Statements do not contain any qualifications. The unaudited interim financial statements as at and for the six months ended 31 March 2021 contain a material uncertainty in relation to the Group’s ability to obtain sufficient additional funding in the event that the low levels of flying experienced by the Group in the prior 12 months to the date of review report were repeated and also impacted forward bookings for the summer of 2022, that could cast significant doubt upon the Group’s ability to continue as a going concern as at the date of the review report, which contains an emphasis of matter in respect thereof.

In adopting the going concern basis for preparing the 2021 Interim Financial Statements, the Directors considered the Group’s business activities, together with factors likely to affect its future development and performance, as well as the Group’s principal risks and uncertainties. The Directors’ “base case” forecast and projections assumed a phased return to flying which would represent a significant reduction to historical revenue levels until the summer of 2022, together with cost saving measures.

In modelling the impact of “severe but plausible” downside risks, the Directors considered travel restrictions including government lockdowns and international travel bans, leading to a prolonged recovery period, reduction in revenue yield, lower load factors and a reduction to anticipated number of bookings. The Directors’ assessment was that, should the various risks identified combine to result in the low levels of flying experienced in the prior 12 months to the date of the review to be repeated, and also impact forward bookings for the summer of 2022, the Group would need to secure additional funding. The Group’s ability to obtain sufficient additional funding in the event of the combined severe downside scenarios represented a material uncertainty as at the date of the review report with respect to the 2021 Interim Financial Statements that could cast significant doubt upon the Group’s ability to continue as a going concern.

In preparing the working capital statement in this Prospectus, the Company identified, defined and considered a “reasonable worst case” scenario (see paragraph 13 (“—*Working capital statement*”) of Part VII (*Details of the Rights Issue*) of this document). This “reasonable worst case” scenario is based upon substantially similar assumptions to the “severe but plausible downside” scenarios set out in the 2021 Interim Financial Statements. However, the “reasonable worst case” scenario takes into account the net proceeds of the fully underwritten Rights Issue, whereas the “severe but plausible downside” assessment in the 2021 Interim Financial Statements did not take into account the expected net proceeds of the fully underwritten Rights Issue or the New Revolving Credit Facility. In addition, the “reasonable worst case” scenario takes into account the entire period covered by the working capital statement, that is, for at least the next 12 months from the date of publication of this document. The “severe but plausible downside” assessment in the 2021 Interim Financial Statements speaks only of the date of the easyJet Half-Year Results 2021, being 20 May 2021. As a result, the “severe but plausible downside” assessment in the 2021 Interim Financial Statements does not reflect the occurrence of unanticipated events or any other events since that time.

The Group adopted IFRS 15, IFRS 16 and IFRS 9 on 1 October 2018, applying the cumulative catch-up (“modified”) transition method for IFRS 15 and IFRS 16. The retrospective cumulative impact of IFRS 15 and IFRS 16 has been recognised within the opening balance of retained earnings as at 1 October 2018. The changes to the classification and measurement of financial instruments under IFRS 9 do not materially impact the consolidated financial statements of the Group as at and for the year ended 30 September 2018. In the 2019 Annual Financial Statements, the balance sheet comparatives as at 30 September 2018 were re-presented to disclose the impacts of adopting IFRS 15, IFRS 16 and IFRS 9, whilst the income statement comparatives and the cash flow comparatives for the year ended 30 September 2018 remained unchanged. For further information, see Note 1 to the 2019 Annual Financial Statements.

5. Non-IFRS measures of the Group’s performance

Management monitors certain key performance indicators (“KPIs”), including certain financial KPIs which are not presented in accordance with or specified under IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measures calculated and presented in accordance with IFRS. Such financial KPIs are included in this document because they are used by management and the Directors to assess the Group’s financial performance and liquidity and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of headline operating profit and liquidity. The Directors believe that such financial KPIs provide investors, research analysts, brokers and other market participants with relevant supplemental information on the Group’s business, results of operations, financial condition and prospects.

The financial KPIs contained in this document have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, the measures presented in accordance with IFRS that are also contained in this document. The financial KPIs presented by the Group may not be comparable to similarly titled measures presented by other businesses, as such businesses may define and calculate such financial KPIs differently than the Group. Accordingly, prospective investors and Shareholders should not place undue reliance on the financial KPIs contained in this document and are advised to review them in conjunction with the Financial Statements incorporated by reference herein.

5.1 Financial KPIs

Capex

Capex represents net cash used by or generated from investing activities, excluding money market deposits.

	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018
	(£ million)				
Purchase of property, plant and equipment	71	392	659	954	931
Purchase of non-current intangible assets	2	60	36	30	81
Net proceeds from sale and leaseback of aircraft	(810)	(114)	(702)	(121)	(106)
Capex	(737)	338	(7)	863	906

Total liquidity

Total liquidity represents cash and cash equivalents, money market deposits, undrawn credit facilities and insurance policies (balances held in currencies other than pounds sterling are translated at the spot rates prevailing at the respective balance sheet dates).

	As at 31 March	As at 30 September		
	2021	2020	2019	2018
		(£ million)		
Cash and cash equivalents	2,335	2,284	1,285	1,025
Money market deposits	—	32	291	348
Undrawn credit facilities	594	—	407	633
Business interruption insurance policy	—	150	150	150
Total Liquidity	<u>2,929</u>	<u>2,466</u>	<u>2,133</u>	<u>2,156</u>

Minimum liquidity requirement

Minimum liquidity requirement represents the Group's internal estimate of the level of liquid assets required to run its business, and is calculated as the number of seats in the Group's fleet (including payments to lessors under dry leasing arrangements which relate solely to the provision of an aircraft), multiplied by £2.6 million and divided by 100. The Group's minimum liquidity requirement was £1,524 million, £1,574 million, £1,505 million and £1,411 million as at 31 March 2021 and 30 September 2020, 2019 and 2018, respectively.

Unrestricted cash

Unrestricted cash represents liquidity which is immediately available for use, and is comprised of cash and cash equivalents and money market deposits.

	As at 31 March	As at 30 September		
	2021	2020	2019	2018
	(unaudited)	(audited)		
	(£million)			
Cash and cash equivalents	2,335	2,284	1,285	1,025
Money market deposits	—	32	291	348
Unrestricted cash	<u>2,335</u>	<u>2,316</u>	<u>1,576</u>	<u>1,373</u>

Headline EBITDAR

Headline EBITDAR represents the Group's revenue net of its costs to operate the business, before interest, taxes, depreciation, amortisation and profit or loss on disposal of aircraft held for sale.

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019	2018
	(£ million)				
Total revenue	240	2,382	3,009	6,385	5,898
Fuel	(97)	(534)	(721)	(1,416)	(1,184)
Airports, ground handling and other operating costs	(86)	(715)	(938)	(1,845)	(1,649)
	57	1,133	1,350	3,124	3,065
Crew	(224)	(398)	(629)	(859)	(761)
Non-headline crew	—	—	—	—	7
Headline crew	(224)	(398)	(629)	(859)	(754)
Navigation	(25)	(152)	(206)	(409)	(400)
Maintenance	(109)	(191)	(278)	(302)	(335)
Non-headline maintenance	—	—	—	—	22
Headline maintenance	(109)	(191)	(278)	(302)	(313)
Selling and marketing	(17)	(78)	(107)	(157)	(143)
Other costs	(141)	(240)	(511)	(456)	(600)
Non-headline other costs	17	1	85	—	93
Headline other costs	(158)	(241)	(426)	(456)	(507)
Other income	75	15	23	29	13
Non-headline other income	(68)	—	—	—	—
Headline other income	7	15	23	29	13
Headline EBITDAR	(469)	88	(273)	970	961

Airline revenue per seat

Airline revenue per seat represents total revenue divided by the number of seats flown in the period.

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019	2018
Total revenue (£ million)	240	2,382	3,009	6,385	5,898
Number of seats flown (million)	6.4	42.7	55.1	105.0	95.2
Airline revenue per seat (£ per seat)	36.9	55.6	54.4	60.8	61.9

Airline headline cost per seat excluding fuel at constant currency

Airline headline cost per seat excluding fuel at constant currency represents headline total revenue, less profit before tax, plus fuel costs, divided by the number of seats flown in the period, presented on a constant currency basis. Constant currency is calculated by comparing the Group's performance for the current period, translated at the effective exchange rate for the prior period, with the current period reported performance, excluding foreign exchange gains and losses on balance sheet revaluations.

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019	2018
Headline total revenue (£ million)	240	2,382	3,009	6,385	5,898
Headline loss/(profit) before tax (£ million)	701	193	835	(427)	(578)
Headline fuel (£ million)	(97)	(534)	(721)	(1,416)	(1,184)
Headline total revenue less profit before tax plus fuel costs (£ million)	844	2,041	3,123	4,542	4,136
Number of seats flown (million)	6.4	42.7	55.1	105.0	95.2
Airline headline cost per seat excluding fuel at constant currency (£ per seat)	133.1	47.2	(55.9)	43.3	43.4

Headline (loss)/profit before tax per seat

Headline (loss)/profit before tax per seat represents headline (loss)/profit before tax divided by the number of seats flown in the period.

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019 (audited)	2018
Total revenue (£ million)	240	2,382	3,009	6,385	5,898
Headline costs excluding fuel (£ million)	(844)	(2,041)	(3,123)	(4,542)	(4,136)
Fuel (£ million)	(97)	(534)	(721)	(1,416)	(1,184)
Headline (loss)/profit before tax (£ million)	(701)	(193)	(835)	427	578
Number of seats flown (million)	6.4	42.7	55.1	105.0	95.2
Headline (loss)/profit before tax per seat (£ per seat)	<u>(108.1)</u>	<u>(4.2)</u>	<u>(14.68)</u>	<u>4.07</u>	<u>6.07</u>

Headline (loss)/earnings per share

Headline (loss)/earnings per share represents headline (loss)/profit after tax, divided by the weighted average number of shares in issue during the period (adjusted for shares held in employee benefits trusts).

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019 (audited)	2018
Headline (loss)/profit before tax (£ million)	(701)	(193)	(835)	427	578
Headline tax (charge)/credit (£ million)	126	(1)	110	(78)	(112)
Headline (loss)/profit after tax (£ million)	(575)	(194)	(725)	349	466
Weighted average number of ordinary shares (million)	453	393	407	393	394
Headline (loss)/earnings per share (pence per share)	<u>(126.9)</u>	<u>(49.4)</u>	<u>(178.1)</u>	<u>88.7</u>	<u>118.3</u>

Headline (loss)/return on capital employed

Headline (loss)/return on capital employed represents adjusted headline operating (loss)/profit after tax, divided by capital employed. Adjusted headline operating (loss)/profit after tax represents headline (loss)/profit before interest and tax, less tax at the prevailing UK corporation tax rate as at the end of the financial period. Capital employed represents shareholders' equity, borrowings, lease liabilities and cash and money market deposits (excluding restricted cash) as at the end of the financial period.

	As at and for six months ended 31 March		As at and for year ended 30 September		
	2021 (unaudited)	2020	2020	2019 (audited)	2018
(£ million, except percentages)					
Headline operating (loss)/profit before interest and tax	(686)	(174)	(777)	466	646 ⁽¹⁾
UK corporation tax rate (%)	19.0	19.0	19.0	19.0	19.0
Adjusted headline operating (loss)/profit after tax	(556)	(141)	(629)	377	522
Shareholders' equity	1,582	2,092	1,899	2,985	3,233
Borrowings	3,323	1,319	2,731	1,324	977
Lease liabilities	1,027	536	710	578	—
Cash and money market deposits (excluding restricted cash)	(2,335)	(2,316)	(2,316)	(1,576)	(1,373)
Capital employed	3,597	2,559	3,024	3,311	2,837
Headline (loss)/return on capital employed (%)	<u>(16.8)</u>	<u>(4.8)</u>	<u>(19.9)</u>	<u>11.4</u>	<u>14.6</u>

(1) Includes £51 million relating to implied interest in operating lease costs.

Net (debt)/cash

Net (debt)/cash represents cash and cash equivalents and money market deposits, less borrowings and lease liabilities.

	As at	As at 30 September		
	31 March	2020	2019	2018
	2021	(£ million)		
	(unaudited)	(audited)		
Cash and cash equivalents	2,335	2,284	1,285	1,025
Money market deposits	—	32	291	348
Unrestricted cash	2,335	2,316	1,576	1,373
Borrowings	(3,323)	(2,731)	(1,324)	(977)
Lease liabilities	(1,027)	(710)	(578)	—
Net (debt)/cash	(2,015)	(1,125)	(326)	396

5.2 Non-Financial KPIs

Customer satisfaction

Customer satisfaction represents the results of a customer satisfaction survey measuring how satisfied the customer was with their most recent flight. Customer satisfaction was 80% and 77% for the six months ended 31 March 2021 and 2020, respectively. Customer satisfaction was 75%, 74% and 75% for the years ended 30 September 2020, 2019 and 2018, respectively. In the easyJet Annual Report 2019, customer satisfaction for the year ended 30 September 2018 was restated from 71% to 75% to align with the calculation used to determine customer satisfaction for the year ended 30 September 2019.

On-time performance

On-time performance represents the percentage of flights which arrive within 15 minutes of the scheduled arrival time. On-time performance was 94% and 91% for the six months ended 31 March 2021 and 2020, respectively. On-time performance was 84%, 75% and 75% for the years ended 30 September 2020, 2019 and 2018, respectively.

CO₂ emissions per passenger kilometre

CO₂ emissions per passenger kilometre represents the amount of carbon dioxide which is produced for each passenger, for each kilometre they fly with the Group. CO₂ emissions per passenger kilometre was 69.7g and 83.6g for the six months ended 31 March 2021 and 2020, respectively. CO₂ emissions per passenger kilometre was 70.8g, 70.4g and 71.6g for the years ended 30 September 2020, 2019 and 2018, respectively. In the easyJet Annual Report 2020, CO₂ emissions per passenger kilometre for the years ended 30 September 2019 and 2018 were restated from 77.1g and 78.5g, respectively, to align with the current industry methodology used to determine CO₂ emissions per passenger kilometre for the year ended 30 September 2020.

6. Rounding

Certain financial data and percentages have been rounded. As a result of such rounding, the totals of financial data presented in this document may vary slightly from the actual arithmetic totals of such data and percentages in tables may not add up to 100%.

7. Currency

The Group prepares its financial statements in pounds sterling. All references to “GBP”, “pounds”, “pounds sterling”, “sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

All references to “€” or “euros” are to the lawful currency of the European Union.

All references to “US dollars”, “US\$” or “\$” refer to the lawful currency of the United States.

8. No profit forecast or estimates

Unless otherwise stated, no statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings for easyJet for the current or future financial years would necessarily match or exceed the historical published earnings for easyJet.

9. Incorporation by reference

Certain information in relation to the Group is incorporated by reference in this document, as set out in Part XVIII (*Documentation Incorporated by Reference*) of this document.

The contents of easyJet's website or any hyperlinks accessible from it do not form part of this document and investors should not rely on them.

10. Definitions

Certain terms used in this document, including capitalised terms and certain technical terms, are defined and explained in Part XIX (*Definitions*) of this document.

PART IV
DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors

John Barton	Non-Executive Chairman
Johan Lundgren	Chief Executive Officer
Kenton Jarvis	Chief Financial Officer
Julie Southern	Senior Independent Director
Stephen Hester	Non-Executive Chairman Designate
Dr Andreas Bierwirth	Independent Non-Executive Director
Catherine Bradley CBE	Independent Non-Executive Director
Nicholas Leeder	Independent Non-Executive Director
Moni Mannings	Independent Non-Executive Director
David Robbie	Independent Non-Executive Director

Company Secretary and General Counsel

Maaïke de Bie

Registered and head office of the Company

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Joint Global Coordinator, Joint Bookrunner, Joint Underwriter and Joint Corporate Broker
Credit Suisse International

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Joint Global Coordinator, Joint Bookrunner and Joint Underwriter
Goldman Sachs International

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Joint Sponsor and Financial Adviser

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Legal advisers to the Company as to English, French and US law in connection with the Rights Issue

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Legal advisers to the Banks as to English, French and US law in connection with the Rights Issue

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United Kingdom

Legal advisers to the Company as to English and European law in connection with its AOCs

Clifford Chance LLP

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London
E14 5JJ
United Kingdom

Auditors

PricewaterhouseCoopers LLP

40 Clarendon Road
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United Kingdom

Registrar and Receiving Agent

Equiniti Limited

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Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom

PART V
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Board meeting to approve the Rights Issue and the Prospectus . . .	Wednesday 8 September 2021
Record Date for entitlements under the Rights Issue	6:00 p.m. on Wednesday 8 September 2021
Approval of the Prospectus by the FCA	Thursday 9 September 2021
Announcement of the Rights Issue	Thursday 9 September 2021
Publication of this document	Thursday 9 September 2021
Date of dispatch of Provisional Allotment Letters or CSN Forms of Instruction (to Qualifying Non-CREST Shareholders only) ⁽¹⁾	Friday 10 September 2021
Admission and dealings in the New Shares, nil paid, commence on the LSE and Existing Shares marked ex-Rights	8:00 a.m. on Monday 13 September 2021
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only) ⁽¹⁾	As soon as practicable after 8:00 a.m. on Monday 13 September 2021
Nil Paid Rights and Fully Paid Rights enabled in CREST	As soon as practicable after 8:00 a.m. on Monday 13 September 2021
Latest time and date for receipt of instructions from Qualifying Non- CREST Shareholders in respect of Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Service	5:00 p.m. on Friday 17 September 2021
Recommended latest time and date for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4:30 p.m. on Tuesday 21 September 2021
Expected date for the sale of the relevant Nil Paid Rights in relation to Cashless Take-up or sale instructions under the Special Dealing Service	By Tuesday 21 September 2021
Latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights or Fully Paid Rights are represented by Provisional Allotment Letters and you want to convert them to uncertificated form)	3:00 p.m. on Wednesday 22 September 2021
Expected settlement of dealings in relation to Cashless Take-up or sale instructions of Nil Paid Rights under Special Dealing Service . .	By Wednesday 22 September 2021
Latest time and date for splitting Provisional Allotment Letters, nil or fully paid	3:00 p.m. on Thursday 23 September 2021
Expected date of despatch of cheques in relation to proceeds of Cashless Take-up or disposal of Nil Paid Rights under Special Dealing Service	By Thursday 23 September 2021
Latest time and date for acceptance, payment in full and registration of renounced Provisional Allotment Letters	By 11:00 a.m. on Monday 27 September 2021
Expected date of announcement of results of the Rights Issue through a Regulatory Information Service announcement	By 8:00 a.m. on Tuesday 28 September 2021
Dealings in the New Shares, fully paid, to commence on the LSE	By 8:00 a.m. on Tuesday 28 September 2021

New Shares credited to CREST stock accounts (uncertificated holders only) ⁽¹⁾	As soon as reasonably practicable after 8:00 a.m. on Tuesday 28 September 2021
Nominee Service accounts credited with New Shares	Tuesday 5 October 2021
Expected despatch of definitive share certificates for New Shares in respect of the Rights Issue in certificated form (to Qualifying Certificated Shareholders only) and premium payments (if applicable) in respect of Nil Paid Rights not taken up ⁽³⁾	By Tuesday 12 October 2021
Expected despatch of Nominee Service statements for New Shares in respect of the Rights Issue	By the end of October 2021

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- (1) The Rights Issue is subject to certain restrictions relating to Shareholders with registered addresses in any of the Excluded Territories, details of which are set out in Part IX (*Terms and Conditions of the Rights Issue*) of this document.
 - (2) The results of the Rights Issue will be announced by way of a regulatory information service (“RIS”) announcement at 8:00 a.m. (London time) on 28 September 2021.
 - (3) Share certificates will be posted by first class post.
 - (4) References to times in this timetable are to London time, unless otherwise stated.
 - (5) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in consultation with the Joint Global Coordinators, in which event details of the new times and dates will be notified to the FCA, the LSE and, where appropriate, Qualifying Shareholders by way of a RIS announcement.
 - (6) If you have any further questions, please call the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company’s register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

PART VI
RIGHTS ISSUE STATISTICS

Number of Shares in issue at the date of this document ⁽¹⁾	456,749,631
Issue Price per New Share	410 pence
Basis of Rights Issue	31 New Shares for every 47 Existing Shares
Discount to the theoretical ex-Rights price based on the closing middle-market price of 789 pence per Share on 8 September 2021	35.8%
Number of New Shares to be issued by the Company pursuant to the Rights Issue	301,260,394
Number of Shares in issue immediately following completion of the Rights Issue ⁽¹⁾⁽²⁾	758,010,025
New Shares as a percentage of enlarged issued share capital of the Company immediately following completion of the Rights Issue ⁽¹⁾⁽²⁾	39.7%
Estimated expenses in connection with the Rights Issue	£39 million
Estimated net proceeds receivable by the Company from the Rights Issue after expenses	£1,196 million

(1) No Shares are held in treasury.

(2) Assuming that no Shares are issued as a result of the exercise of any options or vesting of awards under any Employee Share Schemes between the Latest Practicable Date and the completion of the Rights Issue.

PART VII

DETAILS OF THE RIGHTS ISSUE

1. Introduction

The COVID-19 pandemic has had an unprecedented impact on the airline industry. As a result of restricted leisure and business travel across the European aviation market, the Group's operations have been materially impacted, which has adversely affected the Group's short term cash flows, balance sheet position and the strength of its investment grade credit rating. In response to government travel restrictions and guidance, the Group took quick and decisive actions to cut operating costs and capex to minimise cash burn, to maximise liquidity and to develop processes to manage the Group's return to flying.

To facilitate and accelerate the Group's recovery from the impact of the COVID-19 pandemic and take advantage of growth opportunities arising as a result of the pandemic, easyJet has announced a proposed Rights Issue to raise net proceeds of approximately £1,196 million, coupled with a new US\$400 million undrawn revolving credit facility. The Directors expect these actions, when implemented, will strengthen the Group's balance sheet and help support the investment grade rating by accelerating the restoration of the Group's balance sheet position to pre COVID-19 pandemic levels. In addition, these actions should enhance the Group's liquidity and resilience against potential prolonged market challenges related to the COVID-19 pandemic, whilst also materially improving the Group's ability to deliver long-term value to Shareholders by enabling the Group to take advantage of strategic and investment opportunities expected as the European airline and travel sectors restructure as they recover from the COVID-19 pandemic.

The purpose of this section is to set out in further detail the background to, and reasons for, the Rights Issue and explain why the Directors consider the Rights Issue to be in the best interest of Shareholders.

2. Background to, and reasons for, the Rights Issue

2.1 *The period prior to the COVID-19 pandemic*

2.1.1 *The Group's long-term strategic positioning*

The Group entered early 2020 as one of Europe's leading airlines, delivering a robust operational and financial performance, with a strong balance sheet and an increasing share of the European short-haul market. The strength of the Group's market positioning has been underpinned by its low-cost positioning and long-term network and fleet strategy, through a disciplined, multi-year focus on:

- delivering cost efficiency and operational flexibility by operating a single fleet type (of Airbus A320 family aircraft) in a single class configuration with optimised utilisation rates;
- maintaining a low-cost position through direct distribution, a productive labour force, outsourced handling and maintenance and attractive airport deals;
- establishing, strengthening and growing the Group's strong network of leading number one and number two positions in primary airports as the competitive landscape evolves;
- customer loyalty, increasing number of bookings being made by returning customers;
- within its operating markets, serving customers' preferred airports and thereby delivering a yield premium; and
- growing ancillary revenue through the introduction of new products including the launch of easyJet Holidays, paid cabin bags and new 'Standard Plus Fare'.

The delivery of this strategy has provided a strong foundation for the business, with an attractive point-to-point network, a differentiated customer service model, a leading, trusted brand and a strong relative cost position on the Group's markets. The objective of this strategy has been to deliver shareholder value through maximising operating profit per seat, maximising return on capital employed ("ROCE") and generating sustainable positive cash flows. Over the period from FY2016 to FY2019, the Group delivered cash returns to shareholders in excess of £1.0 billion and maintained an average headline ROCE in excess of 13%.

The core strengths of the Group's primary airport positions, differentiated operating model and its focus on customer experience whilst maintaining a disciplined cost structure are expected to continue to differentiate it from other airline operators in a post-COVID-19 market (see paragraph 2.3 (*Post-COVID-19 positioning for recovery and a return to growth*) below).

2.1.2 Delivery of trading and operational initiatives prior to the COVID-19 pandemic

In January 2020, prior to the onset of the COVID-19 pandemic, the Group upgraded its revenue guidance for the first half of the financial year to 30 September 2020, reflecting robust customer demand, low levels of competitor capacity, and the delivery of self-help initiatives. Alongside the long-term strategic positioning of the Group as discussed above, the business momentum and strong operational performance built on a range of key management initiatives including:

- **Revenue initiatives**—The further refinement of the Group's commercial and trading model to better focus on yield enhancement.
- **Growth**—The acquisition of additional slots from Thomas Cook, which bolstered the Group's number one market position at London Gatwick;
- **Fleet**—The continuation of an ongoing programme of fleet up-gauging through reconfiguration and retirement of the older, less efficient Airbus A319 model;
- **Resilience**—The establishment of an operational resilience programme driving a material 30% year-on-year reduction in disruption events and a £37 million reduction in direct disruption costs in the year ended 30 September 2019 compared with the year ended 30 September 2018;
- **Sustainability**—The launch of a market leading sustainability strategy making the Group the world's first major airline to offset the carbon emissions from fuel across its network; and
- **Holidays**—The launch of easyJet Holidays in November 2019 as a key driver of incremental profitability and revenue growth, which is complementary to the core business.

The Group also started the financial year ended 30 September 2020 in a strong funding position, with net debt at 30 September 2019 of £326 million, and liquidity per 100 seats at £3.6 million which represented comfortable headroom compared to the target of £2.6 million per 100 seats. Further, out of the Group's total fleet of 331 aircraft at 30 September 2019, 232 of the Group's 237 owned aircraft, representing 70% of the total fleet, were unencumbered.

During the period prior to the COVID-19 pandemic, the Group had demonstrated a strong track record of growth between the years ended 30 September 2016 and 30 September 2019, with total revenue increasing by 36% from £4,669 million to £6,385 million, seat capacity increasing from 79.9 million seats to 105 million seats, and Headline EBITDAR margin of between 14% and 16%.

2.2 The impact of the COVID-19 pandemic and the Group's response

2.2.1 Impact of COVID-19 pandemic on global aviation travel

The measures undertaken by governments since the beginning of the COVID-19 pandemic, including travel restrictions, quarantines, lockdowns and restrictions on non-essential services, have led to an unprecedented decrease in the ability to fly as well as a decrease in appetite for domestic and international air travel.

Whilst passenger traffic initially started to recover within Europe by the end of June 2020, primarily as a result of the relaxation of travel restrictions and increased demand for leisure destinations such as the Mediterranean, traffic dropped again during the last three months of 2020 as a result of the rise in new strains of COVID-19 and the subsequent reintroduction of travel restrictions across Europe.

As a result of the ongoing vaccination programme in Europe and the corresponding relaxation of travel restrictions, passenger demand began to improve across intra-European routes for the 2021 summer season. However, irrespective of the partial recovery in domestic and international air travel, passenger numbers remain depressed as compared against the same period in 2019.

2.2.2 Impact of the COVID-19 pandemic on the Group

Given the nature of its business, the Group is highly dependent upon people being able to travel freely, and the COVID-19 pandemic and associated government travel restrictions and advice have

had a very significant negative impact on the Group's business. For the year ended 30 September 2020 and the six months ended 31 March 2021, the Group experienced a material reduction in revenue and incurred significant losses. These losses would have been significantly greater had the Group not taken swift action to reduce costs, preserve cash balances and increase liquidity.

2.2.3 The Group's response to the COVID-19 pandemic

The impact of the COVID-19 pandemic was rapid and acute, and has had an unprecedented operational and financial impact on the Group alongside the wider airline industry.

During the initial grounding of aircraft throughout the spring and summer of 2020 and subsequent periods of severe travel restrictions imposed by countries across the Group's network, the Group responded by launching the largest restructuring and cost-out programme in the Group's history, whilst also remaining disciplined around capacity and focused on cash generative flying in order to minimise cash burn and losses and maximise liquidity.

The Group's robust and immediate actions reduced the fixed cost and capex cash burn of the business to around £39 million per week on average during the first quarter of 2021 and around £38 million per week on average during the second quarter of 2021, outperforming the Group's previous estimate of £40 million per week.

(1) Largest ever restructuring and cost-out programme

Over the course of the COVID-19 pandemic, the Group has acted quickly and decisively to reduce operating expenses throughout the business, including reducing legacy costs and addressing other productivity issues. This restructuring and cost-out programme is on track to achieve approximately £500 million in savings in the financial year ending 30 September 2021, of which the Directors expect almost half will be sustainable on an ongoing basis.

These steps are intended to ensure that the Group continues to have a significant cost advantage compared to legacy carriers with whom the Group has the greatest route overlap, and enable the Group to align cost to demand through the COVID-19 recovery and beyond.

(A) Crew efficiency

Significant actions have been taken to improve crew efficiency whilst also addressing legacy structural and productivity issues.

These actions include reduction in the number of full time equivalent crew members per aircraft across the Group's network; agreeing part-time and seasonal contracts which provides cost efficiencies on an annual basis by minimising redundancy costs, improving productivity on a sustainable basis and providing flexibility to grow without hiring additional crew; pay reductions in certain jurisdictions; a two-year pay freeze agreements in the Group's other jurisdictions; and new seasonal part time bases and contracts in Faro and Malaga.

The Directors expect these actions to realise significant improvements in crew productivity.

(B) Airports and ground handling

The breadth of the Group's network results in the Group having a number of leading positions in key markets and primary airports across Europe. As a result, airports and ground handling costs represent a significant part of the Group's cost base and were a particular focus of the restructuring and cost-out programme. The Group is engaged in negotiations with airports across its network to secure the best long-term deals. Additional savings have been achieved following a line-by-line review of ground handling costs and subsequent renegotiation of ground handling contracts.

Additional actions undertaken by easyJet management include agreeing to short term airport deals covering 80% of traffic; achieving permanent savings in ground operations and contact centres; doubling airport revenue per flight as a result of the introduction of charges for on-board cabin bags, with further development expected to be delivered by the end of 2021; disruption savings using the Upgraded Customer Disruption App; a full property review and exits from buildings and car parks.

(C) Engineering and maintenance

Significant cost savings have been made in engineering whilst maintaining 95% of the Group's fleet in a flight-ready condition. Management actions include reducing the number of spare aircraft; insourcing line maintenance in Berlin, Glasgow, Edinburgh and Bristol; delivering cost savings; extending and improving the terms of certain contracts including our heavy maintenance deals with Lufthansa Technik and SRT Malta; extending our low-cost engine shop deal with GE Aviation; and agreeing with Airbus a more efficient scheduling of checks.

(D) Summary

The Group remains focused on exploring further opportunities to deliver cost reductions and efficiencies whilst seeking to retain almost half of the £500 million restructuring and cost-out programme on an ongoing basis. The Directors believe that the steps which the Group has taken will position the business to emerge from the COVID-19 pandemic in an even more competitive cost position for the long term. As flying returns to more normal levels, the Group will continue to focus on efficiency, minimising the impact of disruption and maintaining a continued focus on optimising the Group's cost base.

(2) Defer near-term capex by £1.0 billion whilst retaining fleet flexibility

The Group's Airbus A320 family fleet is a major component of its business model and gives it a competitive advantage. Since the beginning of the COVID-19 pandemic, the Group's total fleet number has reduced in size and been restructured to allow the flexibility to expand or contract depending on expectations of future demand. As at 31 March 2021, the fleet comprised 330 aircraft (a decrease of 3.5% from 342 as at 30 September 2020) which was driven principally by the deferral of deliveries from Airbus and redelivery to lessors of operating leased aircraft that had reached their lease term maturity, with the fleet expected to be further reduced to 307 by 30 September 2021 (a decrease of 10% since 30 September 2020). As at 30 June 2021, 57% of the Group's fleet comprised owned aircraft (as compared to 70% as at 30 September 2019).

In light of the COVID-19 pandemic, the Group reached agreement with Airbus for the deferral of 29 aircraft deliveries due to be delivered before the end of the financial year ending 30 September 2022, providing cash flow relief during a challenging period. These aircraft will now be delivered in the financial years ending 30 September 2027 and 2028 and there will also be movement of delivery dates during this and in subsequent financial years to more closely match forecast seasonal demand. As a result, the Group will take no aircraft deliveries in the current financial year, and will take delivery of eight aircraft in the financial year ending 30 September 2022 and seven aircraft in the financial year ending 30 September 2023.

The revised fleet agreement with Airbus materially reduced the Group's capital expenditure requirements, giving the Group the flexibility in the future to retire and upgrade aging aircraft with more fuel efficient models. The Group has also deferred or cancelled a number of other projects and minimised other non-essential capex. Combined, these measures have enabled the Group to defer near-term projected capex spend by approximately £1 billion from the outset of the COVID-19 pandemic through to the financial year ending 30 September 2023.

(3) Restructured the network to provide flexibility and align capacity to long term strength

In parallel with the restructuring of the fleet, the Group has also adjusted its network to focus on those locations that performed strongly prior to the pandemic.

In the United Kingdom, the Group made the decision to close its bases in Stansted and Southend with the objective of strengthening London Gatwick and improving London Luton airport. The base in Newcastle was also closed, although both Newcastle and Southend continue to be served through utilising lower cost aircraft based in other countries, including new bases in Portugal (Faro) and Spain (Malaga).

In Europe, the Berlin base was substantially restructured, with the reduction of over 690 full-time equivalent (FTE) employees through voluntary and compulsory redundancies, internal transfers to seasonal bases or part-time contracts, whilst in France compulsory redundancies were avoided through putting in place long-term partial unemployment and furlough agreements, pilot pay reductions and a change to roster patterns. The Group's leading network of primary airports across Europe's

biggest cities has been a key advantage throughout the pandemic, with the flexibility built into the Group's schedule enabling it to pivot capacity towards popular routes showing rising customer demand and focus on positive contribution flying.

As a result of these changes, the Group expects to see a material improvement in underlying revenue per seat performance as traffic returns to pre-pandemic levels.

(4) The Group's capital structure response to the COVID-19 pandemic

To strengthen its balance sheet, the Group raised over £5,500 million of additional liquidity from a diversified range of funding sources since the start of the COVID-19 pandemic. As a result of these actions, as at 30 June 2021, the Group had unrestricted access to approximately £2.9 billion of liquidity, comprising cash and cash equivalents, money market funds, money market deposits plus the undrawn portion of the UKEF facility. The Group strengthened its debt maturity profile through the UKEF facility and the bonds issued under the EMTN Programme and, apart from the £300 million of CCFF funding which is due to be repaid on 18 November 2021, the Group has no other debt maturities outstanding until the financial year ending 30 September 2023.

The consolidated capital structure actions implemented by the Group since the onset of the COVID-19 pandemic has allowed it to maintain its investment grade balance sheet whilst improving its debt repayment profile and enhancing its liquidity buffer.

The Group's funding position remains stable, with net debt at 30 June 2021 of approximately £2.0 billion and with liquidity per 100 seats of approximately £5.0 million, representing material headroom compared to the Group's target of £2.6 million per 100 seats. The Group's net debt at 30 June 2021 is approximately £1.6 billion higher than net debt as at 31 March 2020, as a result of management actions to enhance liquidity in response to the COVID-19 pandemic.

2.3 Post-COVID-19 positioning for recovery and a return to growth

With the ongoing vaccination programme in Europe and the corresponding relaxation of travel restrictions, the Group believes it can lead the travel recovery within Europe by building on its key strengths and structural advantages in the European aviation market:

(1) Network strategy

The Group is well-positioned to capture greater network market share and demand as the pandemic abates. The Group has a strong network of number one and number two positions in primary airports serving attractive catchment areas (including London Gatwick, Geneva and Milan Linate among others), which enables the Group to be efficient with network choices. The Directors expect low-cost, short-haul leisure demand to lead the recovery in air travel, with demand for holidays and business customers gravitating towards value.

Furthermore, in its key markets, the Group expects legacy carriers and tour operators to take longer to recover from the impact of COVID-19, due to, among other considerations, their exposure to long-haul operating models and a higher relative sensitivity to a recovery in business travel. This is expected to increase competitive pressure on legacy carriers and tour operators, particularly at primary airports. As a result, the Group expects to be very well positioned to deliver growth by competing against legacy carriers and tour operators at primary airports, whilst maintaining its long-standing discipline of allocating more capacity to higher yielding airports.

The Group's network strategy continues to be focused on three key themes:

- **Lead in core markets**—The Group prioritises building number one and two positions in primary airports where it delivers a yield premium, with a view of offering the most compelling networks of destinations to customers and driving greater returns and frequencies from these markets. In addition, many of these airports are slot constrained allowing scale positions to be preserved. The Group will seek to maintain its focus on country leadership in the UK, France and Switzerland, with a city focus in Amsterdam, Milan and Berlin, with the COVID-19 pandemic expected to catalyse opportunities for the Group to secure additional landing slots in these core markets whilst also capitalising on short-haul retrenchment by some of the legacy carriers in other markets to grow market share.

- **Accelerate investment in destination leaders**—The Group will build on its existing leading position in Western Europe’s top leisure destinations to provide network breadth and flexibility. This is expected to also unlock cost benefits, enabling the Group to manage seasonality and support the growth of easyJet Holidays, and provide schedule flexibility to enable it to more easily shift capacity in response to demand.
- **Build network in focus cities**—The Group is building a network of key cities to broaden the Group’s presence across Europe. By establishing a presence in large origin markets without basing aircraft or crew locally, the Group is able to serve markets flexibly, with a low-cost base, and lower overall risk.

(2) Customer excellence

The Group’s differentiated strategic positioning is in part derived from its commitment to customer excellence. This is due to the Group’s fantastic staff, the ease, value and reliability that customers experience when booking to fly and travelling with the Group, and the Group’s value proposition in short-haul flights. This approach, supported by its use of numerous digital tools including user-friendly websites and award-winning mobile apps, underscores the ongoing power and customer-centricity of the easyJet brand.

The Group’s focus on customer excellence has continued to drive the strength of the brand and delivered strong customer satisfaction scores through the first half of the year and positive movement in Brand Trust scores across all markets. The Group remains the first choice low-cost carrier in the United Kingdom, France, Switzerland and Berlin, one of the best value airlines overall in the United Kingdom and France and the best value low-cost carrier in Italy, Switzerland and Berlin. For the six months ended 31 March 2021, the Group’s customer satisfaction was 80% (an increase of 3% from 77% for the six months ended 31 March 2020). As at 30 June 2021, 78% of seats were booked by returning customers, demonstrating the Group’s loyal customer base.

Hundreds of easyJet crew members have also volunteered to help at vaccination centres in their local communities across Europe, with many of them having trained to deliver vaccines.

The Group expects its strong brand and customer proposition to be ever more important as the industry recovers from COVID-19, and customers look to brands that they can trust and that can offer them the best value.

(3) Product portfolio evolution

The Group’s strategy is to achieve growth and margin expansion across the entirety of its network whilst delivering incremental levels of ancillary revenue. The Group recognises that the continued evolution of its product portfolio represents a significant opportunity to increase revenue per seat and margins in the coming years. The Group has evolved its product portfolio to capitalise on significant ancillary revenue opportunities, including the introduction of the ‘Standard Plus Fare’ in January 2021 and charging for cabin baggage in February 2021. These measures will also drive on-time performance.

The Directors believe that the continued evolution of the Group’s product portfolio, including the launch of the ‘Leisure’ fare (including a standard seat and 15kg hold bag) in September 2021, delivery of phase II of the cabin baggage product in October 2021 and the opportunity to build on spend per customer for in-flight retail, will drive an increase in ancillary revenue going forward.

(4) easyJet Holidays

The Group is continuing to build on the success of the launch of easyJet Holidays, which offers flexible holiday packages at competitive prices. easyJet Holidays offerings are underpinned by an industry leading ‘Protection Promise’ which has meant that the Group has been able to retain over 60% of customers whose holidays were affected by the COVID-19 pandemic in the first half of 2021. easyJet Holidays also offsets the carbon emissions directly associated with its holidays—the fuel from flights and transfers, plus the energy from hotel stays.

The Group, through easyJet Holidays, enjoys strong partnerships with leading hotels without the need for financial commitments or inventory risk. During the first half of 2021, the Group signed over 40 additional flagship beach hotels which were previously under exclusive contracts with competitors, further optimising easyJet Holidays’ portfolio, whilst also establishing connectivity with some of the

world's largest hotel chains including Hilton, Accor, Radisson and Intercontinental Hotel Group to improve the range of our cities offering.

Reflecting the strength of the easyJet Holidays business model and the significant opportunities to grow market share, the Group sees a clear road-map to contributing annual profit before tax in excess of £100 million.

(5) Disciplined cost base

The Group operates with a disciplined approach to maintaining operational efficiency and optimised costs in order to preserve its relative cost advantage in the core markets and primary airport destinations that it serves:

- a focus on cost, with every £0.05 per passenger saving being worth £5 million, the H1 2020 cost programme delivering savings ahead of internal expectations, part time contracts providing unparalleled flexibility and productivity levels transformed, with savings delivered in every costs line and beating guidance for cash out from fixed cost plus capex;
- strong aircraft utilisation driven by a simple point-to-point network structure with short aircraft turns;
- a relatively young fleet with a highly consistent Airbus A320 family aircraft;
- simple product structure with a high density, single class aircraft configuration and low-cost, high margin ancillary products;
- focused on direct distribution, with nearly 90% of sales from an easyJet-branded channel; and
- fully outsourced ground handling model, with competitive sourcing processes driving cost efficiency.

Whilst the Directors expect various industry-wide cost inflationary pressures to emerge in the wake of the COVID-19 pandemic (including in relation to navigation charges, ownership costs and airport fees), the Directors expect these pressures to be partially mitigated due to the steps undertaken over recent months by the Group, together with a disciplined approach to driving efficiency, minimising the impact of disruption and a thorough negotiation of all supplier agreements. Further cost actions for the financial year ending 30 September 2022 are already underway.

(6) Sustainability

Throughout the COVID-19 pandemic, the Group has continued to reaffirm its commitment to sustainability and minimising its environmental impact, which is of significant and growing importance to customers. According to the European Investment Bank, 72% of consumers say that the sustainable behaviour of a company is now a more important factor in a purchase decision since the global outbreak of the COVID-19 pandemic. Moreover, customer awareness of the Group's carbon offsetting policy increased to 57% in July 2021 from 47% in March 2021. In the year ended 30 September 2020, the Group's emissions per passenger kilometre were more than 47% lower than legacy carriers.

In November 2019, the Group established a new sustainability strategy which focused on driving down its environmental impact. The strategy has three pillars: (i) tackling carbon emissions, (ii) stimulating carbon innovation, and (iii) going beyond carbon.

- **Tackling carbon emissions:** The Group continue to operate a fleet of modern, fuel efficient aircraft and is continuously striving for more ways to be fuel efficient and emit less carbon. In 2019, the Group became the first major airline worldwide to offset all the organisation's direct carbon emissions (scope 1 and 2), through programs that plant trees or avoid the release of additional carbon dioxide. Since then, the Group has retired over 3 million carbon credits from high-quality projects to provide carbon neutral flights to our customers at no additional cost to them.
- **Stimulating carbon innovation:** The Group is supporting the development of new technologies to reinvent aviation over the long-term so that European aviation can become net-zero carbon. Offsetting can only be an interim solution, whilst zero emissions technology is developed. The Group is collaborating with several industry leaders to support technological step change: Wright Electric in their development of 'Wright 1', an all-electric single aisle 186-seater aircraft and a

strategic partnership with Airbus in their ambition to develop a zero-emission commercial aircraft by 2035.

- **Going beyond carbon:** The Group is constantly looking for more ways to take action outside of carbon reductions including having taken steps to reduce the amount of plastic used on our services. The Group is creating a culture where employees can champion sustainability and in the future the Group will focus its charitable efforts on environmental sustainability.

These key strengths, alongside the Group's continued focus on its people and on operational and digital safety, are expected to provide the Group with the tools to grow to pre-pandemic capacity by 2023, as well as achieve strong returns and resilience as the recovery builds, with the medium-term goal of achieving mid-teen EBITDAR margins and low to mid teen ROCE.

Please refer to paragraph 5 (*Strategy of the Group*) of Part X (*Business Overview of the Group*) of this document for a description of the Group's long-term strategy.

2.4 Ongoing review of financial and associated policies

As a result of the unprecedented impact the COVID-19 pandemic has had on the Group and the aviation industry as a whole, the Board has concluded that raising additional financing, via a fully underwritten Rights Issue of approximately £1,235 million, coupled with a new US\$400 million undrawn revolving credit facility, will accelerate the Group's recovery from the pandemic and protect its long-term positioning. As part of this review of the Group's capital structure, and as has been previously communicated, the Group is also concurrently in the process of reviewing its financial policy framework. Due to the current uncertainty as to the timing of a sustainable resumption of international travel, further changes and updates cannot be ruled out and the Group intends to keep its capital structure framework and associated policies under review. Based on the detailed analysis undertaken to date, and current expectations for the travel industry and the business, an update of the Group's current position is summarised below.

2.4.1 Liquidity

The Group has always sought to maintain sufficient liquidity to protect the funds of the customers which it serves, as demonstrated by the existing policy of maintaining a minimum level of liquidity that is the higher of (i) unearned revenue; or (ii) £2.6 million per 100 static aircraft seats.

Having reviewed this policy and, in particular, having taken into account the impact COVID-19 has had on the industry, it is anticipated that going forward the Group will maintain a minimum liquidity level that is at least equal to unearned revenue plus an appropriate additional margin which will be set by the Board and reviewed on an ongoing basis against prevailing market conditions. The Board expects to set this margin for the financial year ending 30 September 2022 at £500 million.

2.4.2 Dividends

As a result of the impact of the COVID-19 pandemic on the Group, and the losses incurred, the Board last year withdrew dividend guidance and did not recommend the payment of a dividend for the financial year ended 30 September 2020. Given the continued impact of the pandemic on the operational and financial performance of the Group, headline losses before tax of £1,019 million have been incurred in the nine months to 30 June 2021.

The Board recognises the importance of dividends to shareholders and will seek to resume payments when the operating environment and the financial performance of the Group permits. The pace and resilience of the Group's post pandemic recovery will be key determinants of the timing and quantum of future shareholder distributions. The Board expects to update the market as to when it anticipates resuming paying dividends and on its future dividend policy, assuming the market environment and circumstances permit, when it announces its full year results for the financial year ending 30 September 2022.

2.4.3 Hedging

To mitigate fluctuations in fuel and exchange rates, the Group will continue to take a prudent approach to managing risk through hedging instruments.

As a result of operational changes across the industry that have been catalysed by the COVID-19 pandemic, the Group anticipates maintaining more flexibility in hedging tenor and volumes in order to adapt to changing capacity brought about by fluctuating demand.

2.4.4 Credit rating

Throughout the pandemic the Group has maintained its investment grade credit rating. This credit rating has provided confidence to customers, suppliers, lenders and investors, allowing the Group to raise finance on competitive terms from a variety of different sources. The Group's ambition remains to maintain a strong balance sheet and to retain its investment grade credit rating.

2.4.5 Fleet

In the past the Group has looked to maximise the number and value of owned aircraft on balance sheet. Having a significant number of unencumbered aircraft contributed to the Group's strong investment grade balance sheet as it entered the pandemic. The level of unencumbered aircraft has enabled Group to source ample liquidity through various sources throughout the pandemic. The Group intends to maintain a significant portion of owned aircraft within its fleet and will continue to communicate capital expenditure plans to the market. As has historically been the case, the Group will continue to proactively manage the residual value risk of its owned aircraft.

2.4.6 Depreciation

Following the impact of COVID-19 on aircraft valuations, the Group is undertaking a review of its aircraft depreciation policy.

The Group is reducing the useful economic life of its aircraft from the current 23 years to 18 years, to better represent the planned life of the aircraft with easyJet. In light of this change, the residual value estimates are being revised to reflect the market expectations of residual value of easyJet's various aircraft types.

It is expected that this change, which will be implemented from 1 July 2021 on a prospective basis, will increase the depreciation charge by approximately £10 million in the financial year ending 30 September 2021 and will be a non-cash item.

2.5 Rationale for the Rights Issue and use of proceeds

As part of a review of its capital structure, the Group has concluded that raising additional equity will protect and strengthen easyJet's long-term positioning in the European aviation sector. The net proceeds from the Rights Issue, which will increase the Group's cash balance, will facilitate and accelerate the Group's recovery from the impact of the COVID-19 pandemic, strengthening the Group's balance sheet by reducing net debt, providing further liquidity, and enhancing resilience against potential prolonged market challenges related to the COVID-19 pandemic. As the sector recovers, this flexibility will also support growth, enabling the Group to take advantage of long-term strategic and investment opportunities expected to arise as the European aviation and travel industries restructure as a result of the COVID-19 pandemic. This, combined with the underlying strength of the Group's strategic position, will materially improve the Group's ability to deliver long-term value to Shareholders.

- **Enhancing balance sheet strength and resilience:** The Rights Issue will help restore the Group's balance sheet position to pre-COVID-19 pandemic levels, to enhance the Group's liquidity, and to strengthen its investment grade balance sheet. An enhanced balance sheet will provide greater financial flexibility and resilience to withstand potential prolonged market challenges related to the COVID-19 pandemic, including a potential downside scenario with continued travel restrictions in 2022 and/or a slower recovery in travel patterns.
- **Providing the flexibility to capture strategic growth opportunities:** As the European travel market emerges from the COVID-19 pandemic, a range of long-term strategic and investment opportunities are expected to arise. The Rights Issue will provide the Group with the financial flexibility to take advantage of these growth opportunities and deliver long-term value:
 - o **Building on structural advantages:** The Group currently holds a leading strategic position in attractive, high value Western European markets based on scale in primary airports with high income catchment areas. Furthermore, the Group is positioned in many markets as

the leading low-cost brand based on its unique combination of convenience and customer service. As the European aviation market recovers post-COVID-19, opportunities will arise at airports within these markets, many of which are slot constrained, as legacy airlines restructure short-haul operations and regulators impose remedies in response to state aid. The Rights Issue will enable the Group to capture these investment opportunities, to build on its current position of strength, and to deliver value-accretive growth.

- o **Gaining greater benefit from ancillary revenue and easyJet Holidays:** Over the last 24 months, the Group has implemented an important series of initiatives that has allowed easyJet to add incremental revenues, and the Group recognises that the continued evolution of its product portfolio, supported by the Rights Issue, represents a significant opportunity to increase revenue per seat and margins in the coming years. This includes continuing to build on the success of the launch of easyJet Holidays, which the Group considers a key driver of incremental profitability and revenue growth.
- o **Investing in sustainability with new generation aircraft:** Throughout the pandemic, sustainability, and in particular, carbon emissions have become increasingly important to customers. The Group currently holds a market leading position in Europe, having been the first major airline in the world to offset the carbon emissions from the fuel used for all of its flights using high quality accredited offsets and continuing to be the only major European airline to do so. It also has one of Europe's largest fleets of next generation narrow-body aircraft which are 15% more fuel efficient and 50% quieter during take-off and landing than the equivalent previous generation aircraft. To maintain its leadership position in this area, and supported by the Rights Issue, the Group will continue to invest in its fleet to improve its carbon and cost efficiency through the replacement of existing aircraft that provide less fuel and operational efficiency.

Alongside the Rights Issue, the Group has also secured new bank financing commitments, which will further strengthen the Company's liquidity position as the airline recovers from the COVID-19 pandemic. This consists of a new secured US\$400 million revolving credit facility, which will have a tenor of four years with up to two extensions, each for a period of one year, conditional on the completion of the Rights Issue.

The actions implemented by the Group since the onset of the COVID-19 pandemic has allowed it to maintain its investment grade balance sheet, whilst improving its debt repayment profile and enhancing its liquidity buffer, with the Group having unrestricted access to approximately £2.9 billion of liquidity as at 30 June 2021, providing confidence to customers, suppliers, lenders and investors through the pandemic. The Group's ambition remains to maintain a strong balance sheet and to retain its investment grade credit rating.

Entering into the new revolving credit facility concurrent with the Rights Issue, together with maintaining a prudent and proactive capital management policy, will be supportive towards the strategy of maintaining a liquidity buffer and also enhance balance sheet resilience against potential prolonged market challenges related to the COVID-19 pandemic.

3. Financial position, current trading and prospects

In the period since 31 March 2021, the Group has continued to trade in line with management expectations.

As stated in the easyJet trading update for the third quarter ended 30 June 2021 made available to shareholders on 20 July 2021 (the "**easyJet Q3 Results 2021**"), for the three months ended 30 June 2021, the Group had total revenue of £212.9 million (as compared to £7.2 million for the three months ended 30 June 2020), headline costs of £531.2 million (as compared to £354.0 million for the three months ended 30 June 2020) and a headline loss before tax of £318.3 million (as compared to £346.8 million for the three months ended 30 June 2020). The Group paid a further £122 million in customer refunds for the three months ended 30 June 2021, with a cumulative total of £1,200 million in customer refunds since the beginning of the COVID-19 pandemic. The total value of flight vouchers in issuance as at 30 June 2021 was approximately £230 million.

In August 2021, UK domestic capacity was at 105% of 2019 levels with a load factor of 82%, whilst intra-EU capacity was at 81% of 2019 levels with a load factor of 85%, demonstrating the strength of the Group's UK domestic and intra-EU flying schedule.

The Directors expect the Group's capacity in the fourth quarter of 2021 to be approximately 57% of Q4 2019 levels, which is a significant increase compared to Q3 2021, when easyJet flew 17% of Q3 2019 capacity. During Q4 2021, the Company expects to increase capacity allocation and improve expected load factors on both UK domestic and intra-EU flying, with UK domestic capacity already at pre-pandemic levels.

Looking into Q1 2022, the Company currently expects to fly up to 60% of Q1 2019 capacity with a continued focus on profitable flying.

To capitalise on the easing of restrictions for fully vaccinated passengers in the United Kingdom and the expected rebound in customer demand for travel in continental Europe, the Group continues to prioritise its popular routes and seeks to maintain operational flexibility. In the third quarter of 2021, the Group launched eight new routes from EU and Swiss bases to maintain its strong slot portfolio in Greece and 12 new routes in the United Kingdom to further develop its UK domestic leisure portfolio. In 2022, the Group intends to increase the size of its fleet to 317 aircraft to meet the high levels of customer demand expected in the summer of 2022.

Due to uncertain market conditions, customers are currently booking flights much closer to their departure date. As at 30 June 2021, 49% of the Group's fourth quarter schedule was booked (as compared to 65% as at 30 June 2019). In addition, booking rates on flights to or from a UK base were lower than booking rates on intra-EU flights in the third quarter of 2021 due to the ongoing uncertainty around UK government restrictions on travel. The Directors expect customer demand for leisure travel to continue to rebound in the autumn of 2021 as customer savings rates remain high and employees continue to accrue annual leave. The Directors also expect a relatively benign pricing environment in the fourth quarter of 2021.

The Group's restructuring and cost-out programme is on target to deliver approximately £500 million of savings for the year ending 30 September 2021. The Directors believe that this programme will help partially mitigate the expected cost headwinds in ownership costs and navigation charges associated with the Group's return to pre-pandemic flying levels. In addition to the restructuring and cost-out programme, the Group continues to utilise furlough schemes across Europe. As at 30 June 2021, the Group had unrestricted access to approximately £2.9 billion of liquidity.

4. Key terms of the Rights Issue

The Company is proposing to raise proceeds of approximately £1,196 million (net of fees, costs and expenses) by way of the Rights Issue.

The Rights Issue will be made on the basis of:

31 New Shares for every 47 Existing Shares

held by and registered in the names of Qualifying Shareholders at 6:00 p.m. (London time) on the Record Date.

The Company is proposing to offer 301,260,394 New Shares (representing approximately 66.0% of the Company's existing issued share capital and 39.7% of the Enlarged Issued Share Capital) in connection with the Rights Issue to Qualifying Shareholders other than, subject to certain exemptions, to those Qualifying Shareholders with a registered address, or resident, in one of the Excluded Territories.

The Rights Issue is to be made at the Issue Price of 410 pence per New Share to Qualifying Shareholders payable in full on acceptance by no later than 11:00 a.m. (London time) on 27 September 2021.

The Issue Price of 410 pence per New Share represents:

- a 48.0% discount to the closing price of an Existing Share; and
- a 35.8% discount to the theoretical ex-Rights price of an Existing Share,

in each case based on the closing middle-market price of 789 pence on the LSE on the Latest Practicable Date.

To the knowledge of the Company, there is no extra cost for non-UK Shareholders to subscribe for the New Shares or transfer Nil Paid Rights.

The Rights Issue has been underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

The Rights Issue is conditional, *inter alia*, upon:

- (i) the Underwriting Agreement having become unconditional in all respects save for the conditions relating to Admission; and
- (ii) Admission occurring on or before 8:00 a.m. (London time) on 14 September 2021 (or such later time and date as the Joint Global Coordinators and the Company may agree).

The principal terms of the Underwriting Agreement are summarised in paragraph 14.1 of Part XVII (*Additional Information*) of this document.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders but will be aggregated and sold in the market on behalf of the relevant Qualifying Shareholders. Amounts of less than £5.00 at the date of payment will not be paid to such Qualifying Shareholders and will instead be retained for the benefit of the Company.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares.

If a Qualifying Shareholder does not take up any of his or her Rights to subscribe for New Shares, such Qualifying Shareholder's economic and voting interests, as a percentage of the Enlarged Issued Share Capital, will be diluted by 39.7% as a result of the Rights Issue.

A Prospectus relating to the offer of New Shares pursuant to the Rights Issue and the applications to the FCA and the LSE for the New Shares (nil paid and fully paid) to be admitted to the premium listing segment of the Official List and to the LSE for the New Shares (nil paid and fully paid) to be admitted to trading on the Main Market has been approved on 9 September 2021 by the FCA.

It is expected that Admission will become effective and that: (1) dealings in the New Shares (nil paid) will commence on the LSE by 8:00 a.m. (London time) on 13 September 2021; and (2) dealings in the New Shares (fully paid) will commence on the LSE by 8:00 a.m. (London time) on 28 September 2021.

It is expected that the Nil Paid Rights will trade under ISIN GB00BMY5XK54 and the Fully Paid Rights will trade under ISIN GB00BMZ0FW54. Further details on listing, dealing and settlement are included in Part IX (*Terms and Conditions of the Rights Issue*) of this document.

Shareholders will not be charged expenses by the Company in respect of the Rights Issue.

5. Possible offer

The Board recently received an unsolicited preliminary takeover approach. This was carefully evaluated and then unanimously rejected. The potential bidder has since confirmed that it is no longer considering an offer for the Company.

The indicative proposal took the form of a low premium and highly conditional all-share transaction which, in the Board's view, fundamentally undervalued the Company. In deciding to reject it, the Board took into account all relevant factors including the highly conditional nature of the proposal and the certainty and strategic opportunity that the Rights Issue presented to the Company.

This is not a statement to which Rule 2.8 of the Takeover Code applies.

6. Intentions of the Directors and other Shareholders

The Board is fully supportive of the Rights Issue.

Each Director who is a Shareholder has irrevocably undertaken to:

- (i) take up and subscribe in full for their entire right to subscribe for New Shares under the Rights Issue;
- (ii) sell a sufficient number of their Nil Paid Rights during the nil paid dealing period to meet the costs of taking up the balance of their entitlement to New Shares; or

- (iii) both (1) subscribe in part for their entitlement to New Shares under the Rights Issue and (2) sell a sufficient number of their Nil Paid Rights during the nil paid trading period to meet the costs of taking up the remainder of their entitlement to New Shares.

As at the date of this document, the Company is not aware of any Shareholders' intentions to take up and subscribe for their rights in the New Shares in the Rights Issue.

7. Risks

The Rights Issue and any investment in the New Shares are subject to a number of risks.

This document contains a detailed discussion of certain risks associated with the Company's financial condition, indebtedness, the impact of the macroeconomic environment on the Group and the operation of the Group's business and the Rights Issue. You should consider fully and carefully these risk factors, as set out in Part II (*Risk Factors*) of this document, when considering what action to take in relation to the proposed Rights Issue or deciding whether or not to subscribe for New Shares.

8. Employee Share Schemes

The number of Shares subject to options and awards granted under the Employee Share Schemes and the exercise price (if any) may be adjusted, in accordance with the rules of the relevant Employee Share Scheme and in such a way as the Remuneration Committee considers appropriate, to take account of the effect that the Rights Issue will have on the inherent value of such options and awards. Any adjustments will be made on or after the Ex-Rights Date. Where options and awards are subject to performance conditions, adjustments may, if appropriate, be made to the conditions. Participants in the Employee Share Schemes will be contacted separately with further information on how their options and awards may be affected by the Rights Issue. Participants in the SIP will be contacted separately regarding their participation in the Rights Issue as beneficial owners of Shares held in the SIP.

9. Dividends and dividend policy

As a result of the impact of the COVID-19 pandemic on the Group, and the losses incurred, the Board last year withdrew dividend guidance and did not recommend the payment of a dividend for the financial year ended 30 September 2020. Given the continued impact of the pandemic on the operational and financial performance of the Group, headline losses before tax of £1,019 million have been incurred in the nine months to 30 June 2021.

The Board recognises the importance of dividends to shareholders and will seek to resume payments when the operating environment and the financial performance of the Group permits. The pace and resilience of the Group's post pandemic recovery will be key determinants of the timing and quantum of future shareholder distributions. The Board expects to update the market as to when it anticipates resuming paying dividends and on its future dividend policy, assuming the market environment and circumstances permit, when it announces its full year results for the financial year ending 30 September 2022.

An ordinary dividend of 43.9 pence per Share, or £174 million, in respect of the year ended 30 September 2019 was paid in the year ended 30 September 2020. An ordinary dividend of 58.6 pence per Share, or £233 million, in respect of the year ended 30 September 2018 was paid in the year ended 30 September 2019.

The New Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Shares in issue at the time the New Shares are issued, including the right to receive and retain dividends and other distributions declared, made or paid after the date of issue of the New Shares.

10. Taxation

Your attention is drawn to Part XVI (*Taxation*) of this document. If you are in any doubt as to your tax position you should contact your professional adviser immediately.

11. Actions to be taken

The latest time for acceptance by Qualifying Shareholders under the Rights Issue is 11:00 a.m. (London time) on 27 September 2021, unless otherwise announced by the Company.

The procedure for acceptance and payment is set out in Part IX (Terms and Conditions of the Rights Issue) of this document.

Further details also appear in the Provisional Allotment Letter or CSN Form of Instruction which will be sent to all Qualifying Non-CREST Shareholders who hold Existing Shares in certificated form or within the Nominee Service (other than, subject to certain exceptions, those Qualifying Non-CREST Shareholders with a registered address in any of the Excluded Territories).

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under the FSMA if you are resident in the United Kingdom or, if you are not, from another appropriately authorised independent financial adviser.

11.1 Special Dealing Service

The Company has engaged Equiniti Financial Services Limited to make available the Special Dealing Service in order for Qualifying Non-CREST Shareholders and Nominee Service participants (who are individuals and whose registered addresses are in the United Kingdom, EEA, Isle of Man, the Channel Islands, Switzerland and Gibraltar) to sell all of the Nil Paid Rights to which they are entitled or to effect a Cashless Take-up should they wish. You should be aware that by returning your Provisional Allotment Letter or CSN Form of Instruction and electing to use the Special Dealing Service, you will be deemed to be agreeing to the terms and conditions of the Special Dealing Service and make a legally binding agreement with Equiniti Financial Services Limited on those terms. The terms and conditions of the Special Dealing Service will be posted to you together with the Provisional Allotment Letter if you hold your Ordinary Shares in certificated form or CSN Form of Instruction if you hold your Ordinary Shares within the Nominee Service.

11.2 Further information

Your attention is drawn to the further information set out in Part VIII (*Some Questions and Answers About the Rights Issue*) to Part XVII (*Additional Information*) (inclusive) of this document. Shareholders should read the whole of the Prospectus and not rely solely on the information set out in this letter.

12. Overseas shareholders

The attention of Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of or located in countries other than the United Kingdom, as well as holders of ADRs, is drawn to the information in paragraph 8 of Part IX (*Terms and Conditions of the Rights Issue*) of this document.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the Register as at the Record Date, including Overseas Shareholders. However, subject to certain exceptions, Provisional Allotment Letters and CSN Forms of Instruction will not be sent to Qualifying Non-CREST Shareholders with registered addresses in any of the Excluded Territories, nor will the CREST stock account of Qualifying CREST Shareholders with registered addresses in any of the Excluded Territories be credited.

Notwithstanding any other provision of this document, the Provisional Allotment Letter or the CSN Form of Instruction, the Company reserves the right to permit any Shareholder on the Register at the Record Date to take up his or her rights if the Company in its sole and absolute discretion is satisfied that the transaction in question will not violate applicable laws.

In particular, persons who have registered addresses in or who are resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers whether they require any governmental or other consents or need to observe any formalities to enable them to take up their entitlements in the Rights Issue.

13. Working capital statement

The Company is of the opinion that, taking into account the net proceeds of the Rights Issue and the lending facilities available to the Group, the Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

13.1 Impact of the COVID-19 pandemic

In preparing the working capital statement above, the Company is required, by the ESMA Recommendations, to identify, define and consider a “reasonable worst case” scenario, which involved making certain assumptions regarding the potential evolution of the COVID-19 pandemic and its potential impact on the Group in that “reasonable worst case” scenario.

The COVID-19 pandemic has had, and is anticipated to continue to have, a significant impact on the Group’s near-term performance. Given the considerable uncertainties as to the ongoing and potential future impact of the COVID-19 pandemic on the Group and its business, the Company believes that it is appropriate to provide additional disclosure of the key COVID-19-related assumptions underpinning the Group’s “reasonable worst case” scenario, on which the working capital statement is dependent.

13.2 Reasonable worst case scenario relating to the COVID-19 pandemic

The “reasonable worst case” scenario is consistent with the assumptions that underpinned the Company’s “severe but plausible” downside scenario that formed the basis for the Directors adopting the going concern basis of accounting in preparing the 2021 Interim Financial Statements. This scenario is based on a general assumption that COVID-19 restrictions continue up to the end of June 2022, including government lockdowns and international travel bans, which leads to a prolonged recovery period, reduction in revenue yield, lower load factors and a reduction to anticipated number of bookings.

The Company has made the following specific assumptions relating to the COVID-19 pandemic in preparing its “reasonable worst case” scenario:

- travel restrictions remain in place until end of June 2022, with easyJet flying similar levels of passengers to those flown during the same period in the previous calendar year, with travel restrictions then easing and travel steadily returning to pre-COVID levels by January 2023, as customer confidence returns;
- reflecting the reduction in travel noted above, booked seats for flights departing during the year ending 30 September 2022 and 6 months ending 31 March 2023 represent only 24% and 72%, respectively, of the levels achieved for the corresponding period during the year ended 30 September 2019, with load factors (the proportion of available seating capacity filled with passengers) 14ppt lower for the year ending September 2022 and 1ppt lower for the 6 months ending March 2023;
- the trend of shorter booking times between customers booking flights and flying experienced for flights scheduled to depart during Summer 2021 (arising due to ongoing uncertainty around travel restrictions), is reversed for flights scheduled to depart during Winter 2021, Summer 2022 and Winter 2022, with the period between booking and flying times extended by one to two months as compared to the corresponding period pre-COVID 19 (due to flights being made available to book earlier); and
- a downgrade of the Company by both ratings agencies to sub-investment grade as a result of COVID-19.

The working capital statement in this Prospectus, as approved by the FCA in accordance with section 85 of FSMA, has been prepared in accordance with the ESMA Recommendations and the technical supplement to the FCA Statement of Policy published on 8 April 2020 relating to the COVID-19 pandemic.

PART VIII

SOME QUESTIONS AND ANSWERS ABOUT THE RIGHTS ISSUE

The questions and answers set out in this Part VIII are intended to be in general terms only and, as such, you should read Part IX (Terms and Conditions of the Rights Issue) of this document for full details of the terms of the Rights Issue and what action you should take if you wish to participate in the Rights Issue. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser, duly authorised under the FSMA, or from another appropriately authorised independent financial adviser.

This Part VIII deals with general questions relating to the Rights Issue and more specific questions primarily relating to Existing Shares held by persons resident in the United Kingdom who hold their Existing Shares in certificated form. If you are an Overseas Shareholder, you should read paragraph 8 of Part IX (Terms and Conditions of the Rights Issue) 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 Rights. If you hold your Existing Shares in uncertificated form (through CREST or through a broker) you should read Part IX (Terms and Conditions of the Rights Issue) 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 Shares are in certificated or uncertificated form, please call the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

1. What is a Rights Issue?

A rights issue is a way for companies to raise money. Companies do this by giving their existing shareholders a right to buy further shares in proportion to their existing shareholdings.

If you hold Shares on the Record Date, other than those Shareholders, subject to certain exceptions, with a registered address in the Excluded Territories, you will be entitled to buy New Shares under the Rights Issue. If you hold your Existing Shares in certificated form, your entitlement will be set out in your Provisional Allotment Letter or CSN Form of Instruction (as applicable).

New Shares are being offered to Qualifying Shareholders in the Rights Issue at a discount to the price of Shares on the Latest Practicable Date. The Issue Price of 410 pence per New Share represents:

- a 48.0% discount to the closing price of an Existing Share; and
- a 35.8% discount to the theoretical ex-Rights price of an Existing Share,

in each case based on the closing middle-market price of 789 pence on the LSE on the Latest Practicable Date. As a result of this discount, and while the market value of the Existing Shares exceeds the Issue Price, the right to buy the New Shares is potentially valuable.

The Rights Issue is on the basis of 31 New Shares for every 47 Existing Shares held by Qualifying Shareholders on the Record Date.

If you are a Qualifying Shareholder (other than a Shareholder with a registered address, subject to certain exceptions, with a registered address in the Excluded Territories) and you do not want to buy the New Shares to which you are entitled, you can instead sell or transfer your rights (called Nil Paid Rights) to those New Shares and receive the net proceeds, if any, of the sale or transfer in cash. This is referred to as "dealing nil paid".

2. What happens next?

The Provisional Allotment Letters or CSN Forms of Instructions (as applicable) for Qualifying Non-CREST Shareholders are due to be despatched on 10 September 2021 and the Nil Paid Rights are due to be credited to the CREST stock accounts of Qualifying CREST Shareholders as soon as practicable after 8:00 a.m. (London time) on 13 September 2021.

3. I am a non-EU National. If I participate in the Rights Issue, will the New Shares I acquire be subject to disenfranchisement?

If you are a non-EU National and you acquire New Shares in the Rights Issue your New Shares may be subject to disenfranchisement in accordance with the Company's Articles if the proportion of the Company's Shares held by non-EU Nationals following completion of the Rights Issue exceeds the Permitted Maximum.

The Directors intend to apply the "last in, first out" ("LIFO") principle to the Rights Issue and have agreed a protocol with the Company's Registrars, Equiniti, which requires Equiniti to take into account the time at which Shareholders and other investors take up their Nil Paid Rights or acquire Fully Paid Rights in order to determine the order of priority for Shares to be deemed Affected Shares and therefore to be subject to disenfranchisement. For CREST Shareholders, the date and time for the take up of Nil Paid Rights or acquisition of Fully Paid Rights will be such date and time the CREST Shareholder submits their application through CREST. For Non-CREST Shareholders, this will be the date and time the requisite details from the Provisional Allotment Letters or CSN Forms of Instruction are recorded by Equiniti following a multi-step verification, batching and processing procedure. Under this protocol the earlier in the Rights Issue acceptance period that a non-EU National Shareholder takes up their Nil Paid Rights the less likely they are to be subject to disenfranchisement and the shorter any period of disenfranchisement they experience is likely to be.

Pursuant to the protocol agreed with Equiniti the Directors have discretion to determine the outcome in the event there is any uncertainty as to how the protocol should apply to any specific circumstance or in the event it is impossible to ascertain which of any two or more actions occurred first in time (including by designating as Affected Shares a proportion of some or all of the New Shares acquired by certain Non-EU Nationals in the Rights Issue—see further paragraph 1 of Part IX (*Terms and Conditions of the Rights Issue*) of this document).

In the event that a Shareholder's Shares are treated as Affected Shares or are no longer treated as Affected Shares, the Registrar on behalf of the Company sends a letter to such Shareholder informing it of this.

easyJet has in the past discussed and may in the future, including as a result of any change to relevant regulatory requirements, discuss with the FCA the Company's application of the LIFO principle to determine which Shares are treated as Affected Shares for the purposes of disenfranchisement. The Company may in the future be required to adopt an alternative basis for determining which Shares are treated as Affected Shares for the purposes of disenfranchisement, such as designating an equal proportion of all shares held by non-EU Nationals to be Affected Shares. This could result in certain non-EU Nationals who are Shareholders being subject to disenfranchisement in circumstances where under the LIFO principle they would not be subject to disenfranchisement.

4. Can I sell some Rights and use the proceeds to take up my remaining Rights?

This is known as a cashless take-up or "tail-swallowing". If you are a Qualifying CREST Shareholder, you should contact your custodian as to what options are available to you.

If you are a Qualifying Non-CREST Shareholder (whose registered address is in the United Kingdom, EEA, Isle of Man, the Channel Islands, Switzerland or Gibraltar), the Company has engaged Equiniti Financial Services Limited to make available the Special Dealing Service in order for Qualifying Non-CREST Shareholders to effect a Cashless Take-up should they wish. You should be aware that by returning your Provisional Allotment Letter or CSN Form of Instruction and electing to use the Special Dealing Service, you will be deemed to be agreeing to the terms and conditions of the Special Dealing Service and make a legally binding agreement with Equiniti Financial Services Limited on those terms. The terms and conditions of the Special Dealing Service will be posted to you together with the Provisional Allotment Letter or CSN Form of Instruction.

Further information about the Special Dealing Service is set out in paragraph 4.10 of Part IX (*Terms and Conditions of the Rights Issue*) of this document and the Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders together with the Provisional Allotment Letter or CSN Form of Instruction.

Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. (London time) on 27 September 2021.

5. What is the Special Dealing Service?

The Company has engaged Equiniti Financial Services Limited to make available the free Special Dealing Service in order for Qualifying Non-CREST Shareholders (who are individuals and whose registered addresses are in the United Kingdom, EEA, Isle of Man, the Channel Islands, Switzerland and Gibraltar) to sell all of the Nil Paid Rights to which they are entitled or to effect a Cashless Take-up should they wish. You should be aware that by returning your Provisional Allotment Letter or CSN Form of Instruction and electing to use the Special Dealing Service, you will be deemed to be agreeing to the terms and conditions of the Special Dealing Service and make a legally binding agreement with Equiniti Financial Services Limited on those terms. The terms and conditions of the Special Dealing Service will be posted to you together with the Provisional Allotment Letter if you hold your Ordinary Shares in certificated form or the CSN Form of Instruction if you held your Ordinary Shares through the Nominee Service.

You should be aware that by returning your Provisional Allotment Letter or CSN Form of Instruction and electing to use the Special Dealing Service, you will be deemed to be agreeing to the terms and conditions of the Special Dealing Service and make a legally binding agreement with Equiniti Financial Services Limited on those terms. The terms and conditions of the Special Dealing Service will be posted to you together with the Provisional Allotment Letter or CSN Form of Instruction.

If you are an individual Non-CREST Shareholder whose registered address is in the United Kingdom, EEA, Isle of Man, the Channel Islands, Switzerland or Gibraltar, you can use the Special Dealing Service to either (i) sell all of your Nil Paid Rights or (ii) sell a sufficient number of Nil Paid Rights to raise money to take up the remainder (that is, effect a Cashless Take-up).

If you want to use the Special Dealing Service to sell all of your Nil Paid Rights, you should place an X in Part 1 Option 2 on the front page of your Provisional Allotment Letter or CSN Form of Instruction, sign and date it and return the Provisional Allotment Letter or CSN Form of Instruction by 5:00 p.m. (London time) on 17 September 2021.

If you want to effect a Cashless Take-up, you should tick Part 1 Option 3 on the front page of your Provisional Allotment Letter or CSN Form of Instruction, sign and date it and return the Provisional Allotment Letter or CSN Form of Instruction to Equiniti by 5:00 p.m. (London time) on 17 September 2021 in the pre-paid envelope provided. Equiniti Financial Services Limited will not charge a commission on any sale of Nil Paid Rights effected using the Special Dealing Service. You should be aware that by returning your Provisional Allotment Letter or CSN Form of Instruction and electing to use the Special Dealing Service, you will be deemed to be agreeing to the terms and conditions of the Special Dealing Service and make a legally binding agreement with Equiniti Financial Services Limited on those terms. The terms and conditions of the Special Dealing Service will be posted to you together with the Provisional Allotment Letter or CSN Form of Instruction.

If you have any questions relating to the Special Dealing Service, please telephone the Shareholder Helpline at Equiniti on 0333 207 6509 (+44(0) 333 207 6509 if calling from outside the United Kingdom). 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 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Please note that, for legal reasons, the Shareholder Helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Rights Issue.

6. Will my current shareholding in the Company remain the same following the Rights Issue?

If you decide to take up all of your Rights to acquire the New Shares to which you are entitled, the proportion of your holding in the Company will, subject to fractional entitlements, remain the same as it was before the Rights Issue. If your entitlement to New Shares is not a whole number, your entitlement will be rounded down.

If you decide to sell or not to take up some or all of your Rights, the proportion of your economic and voting interests in the Company will be smaller once the Rights Issue has been completed, as New Shares are being issued. In these circumstances your interest in the Company will be diluted, and the maximum dilution you may suffer (in the event you do not take up any of your Rights) will be 39.7%.

During the Rights Issue offer period you may take up all of your Rights to acquire the New Shares to which you are entitled and also acquire additional Rights on the market, which will increase your shareholding in the Company at the end of the Rights Issue offer period.

7. I hold my Existing Shares in certificated form or through the Nominee Service. How do I know if I am able to acquire New Shares under the Rights Issue?

If you receive a Provisional Allotment Letter or a CSN Form of Instruction and are not a holder with a registered address in the Excluded Territories, then you should be eligible to acquire New Shares under the Rights Issue (as long as you have not sold all of your Existing Shares before 8:00 a.m. (London time) on 13 September 2021 (the time when the Existing Shares are expected to be marked “ex-rights” by the LSE) in which case you will need to follow the instructions on the front page of this document).

8. I hold my Existing Shares in certificated form or through the Nominee Service. How will I be informed of how many New Shares I am entitled to buy?

If you hold your Existing Shares in certificated form and do not have a registered address in one of the Excluded Territories, you will be sent a Provisional Allotment Letter or a CSN Form of Instruction that shows:

- how many Existing Shares you held directly or through the Nominee Service at 6:00 p.m. (London time) on 8 September 2021 (the Record Date for the Rights Issue);
- how many New Shares you are entitled to buy; and
- how much you need to pay if you want to take up your right to buy all the New Shares provisionally allotted to you in full.

If you have a registered address, subject to certain exceptions, in one of the Excluded Territories, you will not receive a Provisional Allotment Letter or a CSN Form of Instruction.

9. I am a Qualifying Shareholder with a registered address in the United Kingdom and I hold my Existing Shares in certificated form. What are my choices and what should I do with the Provisional Allotment Letter?

9.1 If you want to take up all of your Rights

If you want to take up all of your rights to acquire the New Shares to which you are entitled, all you need to do is send the Provisional Allotment Letter, together with your cheque or banker’s draft for the full amount, payable to “Equiniti Limited re easyJet plc Rights Issue” and crossed “A/C payee only”, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive by no later than 11:00 a.m. (London time) on 27 September 2021. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Provisional Allotment Letter. Full instructions are set out in paragraph 4.1 of Part IX (*Terms and Conditions of the Rights Issue*) of this document and will be set out in the Provisional Allotment Letter.

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 or page 4 of the Provisional Allotment Letter.

A definitive share certificate will then be sent to you in respect of the New Shares that you take up. Your definitive share certificate for New Shares is expected to be despatched to you by no later than 12 October 2021. You will need your Provisional Allotment Letter to be returned to you if you want to deal in your Fully Paid Rights. Your Provisional Allotment Letter will not be returned to you unless you tick the appropriate box on the Provisional Allotment Letter.

9.2 If you do not want to take up your Rights at all

If you do not want to take up your rights, you do not need to do anything. If you do not return your Provisional Allotment Letter subscribing for the New Shares to which you are entitled by 11:00 a.m. (London time) on 27 September 2021, we have made arrangements under which the Underwriters will try to find investors to take up your rights and the rights of others who have not taken up their rights. If the Underwriters do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium provided that this amount is £5.00 or more. Cheques are expected to be despatched by no later than 12 October 2021 and will be sent to your address appearing on the Company's register of members (or to the first-named holder if you hold your Existing Shares jointly). If the Underwriters cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment, and any amounts of less than £5.00 will be aggregated and ultimately paid to the Company. Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see paragraph 9.4 below).

9.3 If you want to take up some but not all of your Rights

If you want to take up some but not all of your rights and wish to sell some or all of those you do not want to take up, you should first apply to have your Provisional Allotment Letter split by completing Form X on the Provisional Allotment Letter, and returning it by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to be received by 3:00 p.m. (London time) on 23 September 2021, together with a covering letter stating the number of split Provisional Allotment Letters required and the number of Nil Paid Rights to be comprised in each split Provisional Allotment Letter. You should then deliver the split Provisional Allotment Letter representing the New Shares that you wish to accept together with your cheque or banker's draft to Equiniti Limited at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA to be received by 11:00 a.m. (London time) on 27 September 2021.

Shareholders who wish to effect a Cashless Take-up of their Nil Paid Rights (which may be achieved through the sale of such portion of their Nil Paid Rights as will raise sufficient funds to allow the relevant Shareholder to take up their remaining Nil Paid Rights) should contact their broker, who may be able to assist with such arrangements or if eligible to use the Special Dealing Service, select the Cashless Take-up option on the Provisional Allotment Letter. Please note that your ability to sell your rights is dependent on demand for such rights and that the price for Nil Paid Rights may fluctuate. Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. (London time) on 27 September 2021.

Alternatively, if you want to take up some of your rights but not sell any of the rest, you should complete Form X on the Provisional Allotment Letter and return it with a cheque or banker's draft together with an accompanying letter indicating the number of Nil Paid Rights that you wish to take up, in accordance with the provisions set out in the Provisional Allotment Letter.

Further details are set out in paragraph 4.1 of Part IX (*Terms and Conditions of the Rights Issue*) of this document and will be set out in the Provisional Allotment Letter.

9.4 If you want to sell all of your Rights

If you want to sell all of your rights, you should complete and sign Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and pass the entire letter to your stockbroker, bank manager or other appropriate financial adviser or to the transferee (provided they

are not in any of the Excluded Territories). Alternatively, if you are eligible to use the Special Dealing Service, you may select the Sell all option on the Provisional Allotment Letter.

Please ensure that you allow enough time so as to enable the person acquiring your rights to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. (London time) on 27 September 2021.

10. I acquired my Existing Shares prior to the Record Date and hold my Existing Shares in certificated form. What if I do not receive a Provisional Allotment Letter?

If you do not receive a Provisional Allotment Letter or CSN Form of Instruction but hold your Existing Shares in certificated form, this probably means that you are not able to take up New Shares under the Rights Issue. Some Non-CREST Shareholders, however, will not receive a Provisional Allotment Letter but may still be eligible to acquire New Shares under the Rights Issue, namely:

- Qualifying CREST Shareholders who held their Existing Shares in uncertificated form on 10 September 2021 and who have converted them to certificated form;
- Shareholders who bought Existing Shares before the Record Date and who hold such Shares in certificated form but were not registered as the holders of those Shares at the close of business on the Record Date; and
- certain Overseas Shareholders.

If you do not receive a Provisional Allotment Letter but think that you should have received one, please call the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

11. If I buy Shares after the record date will I be eligible to participate in the Rights Issue?

If you bought Shares after the Record Date but prior to 8:00 a.m. (London time) on 13 September 2021 (the time when the Existing Shares are expected to start trading ex-Rights on the LSE), you may be eligible to participate in the Rights Issue.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

If you buy Shares at or after 8:00 a.m. (London time) on 13 September 2021 (the time when the Existing Shares are expected to start trading ex-Rights on the LSE), you will not be eligible to participate in the Rights Issue in respect of those Shares.

12. I hold my Existing Shares in certificated form. If I take up my rights, when will I receive the certificate representing my New Shares?

If you take up your rights under the Rights Issue, share certificates for the New Shares are expected to be posted by no later than 12 October 2021.

13. What if the number of New Shares to which I am entitled is not a whole number? Am I entitled to fractions of New Shares?

Your entitlement to New Shares will be calculated at the Record Date (other than in the case of those who bought shares after the Record Date but prior to 8:00 a.m. (London time) on 13 September 2021 who are eligible to participate in the Rights Issue). If the result is not a whole number, you will not be provisionally allotted a New Share in respect of the fraction of a New Share and your entitlement will be rounded down to the nearest whole number. The New Shares representing the aggregated fractions that would otherwise be allotted to Shareholders will be disregarded.

14. Will I be taxed if I take up or sell my Rights or if my Rights are sold on my behalf?

If you are resident in the United Kingdom for tax purposes, you should not have to pay UK tax when you take up your rights, although the Rights Issue will affect the amount of UK tax you may pay when you subsequently sell your Shares.

However, assuming that you hold your Shares as an investment, rather than for the purposes of a trade, you may (subject to any available exemption or relief) be subject to capital gains tax on any proceeds that you receive from the sale of your rights. Similarly, assuming that you hold your Shares as an investment, if you allow, or are deemed to allow, your rights to lapse and receive a cash payment in respect of them you may (subject to any available exemption or relief) be subject to capital gains tax on any proceeds.

However if the proceeds are 'small' as compared to the value of the Existing Shares in respect of which the rights arose (broadly, the proceeds do not exceed the greater of £3,000 or 5% of the value of the Existing Shares in respect of which the rights arose), a capital gains tax charge should not generally arise at that time. Rather, the proceeds will be deducted from the base cost of your holding of Existing Shares for the purposes of computing a chargeable gain or allowable loss on a subsequent disposal. This treatment will not apply if the proceeds are greater than the base cost of the holding of Existing Shares.

Further information for Qualifying Shareholders who are resident in the United Kingdom for tax purposes is contained in Part XVI (*Taxation*) of this document. This information is intended as a general guide to the current tax position in the United Kingdom and Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Rights Issue in light of their own circumstances. Qualifying Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult an appropriate professional adviser as soon as possible. Please note that the Shareholder Helpline will not be able to assist you with taxation issues.

15. I understand that there is a period when there is trading in the Nil Paid Rights. What does this mean?

If you do not want to take up the New Shares being offered to you under the Rights Issue, you can instead sell or transfer your rights (called "**Nil Paid Rights**") to those New Shares and receive the net proceeds of the sale or transfer in cash. This is referred to as dealing nil paid. This means that, during the Rights Issue offer period (being between 8:00 a.m. (London time) on 13 September 2021 and 11:00 a.m. (London time) on 27 September 2021) you can either purchase Shares (which will not carry any entitlement to participate in the Rights Issue) or you can trade in the Nil Paid Rights.

16. I hold my existing Shares in certificated form. What if I want to sell the New Shares for which I have paid?

Provided the New Shares have been paid for and you have requested the return of the receipted Provisional Allotment Letter, you can transfer the Fully Paid Rights by completing Form X (the form of renunciation) on the receipted Provisional Allotment Letter in accordance with the instructions set out in the Provisional Allotment Letter until 3:00 p.m. (London time) on 23 September 2021. After that time, you will be able to sell your New Shares in the normal way. The share certificate relating to your New Shares is expected to be despatched to you by no later than 12 October 2021. Pending despatch of the share certificate, instruments of transfer will be certified by the Registrar against the register.

Further details are set out in Part IX (*Terms and Conditions of the Rights Issue*) of this document.

17. Can I change my decision to take up my Rights?

Once you have returned your Provisional Allotment Letter to the Receiving Agent, you cannot withdraw your application or change the number of New Shares that you have applied for, save in accordance with paragraph 6.3 of Part IX (*Terms and Conditions of the Rights Issue*) of this document.

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

Whilst you have an entitlement to participate in the Rights Issue, your ability to take up or sell rights to New 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 rights. Shareholders with registered addresses subject to certain exceptions, in one of the Excluded Territories are not able to acquire New Shares under the Rights Issue. Your attention is drawn to the information in paragraph 8 of Part IX (*Terms and Conditions of the Rights Issue*) of this document.

The Company has made arrangements under which the Underwriters will try to find investors to take up your rights and those of other Shareholders who have not taken up their rights. If the Underwriters do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), you will be sent a cheque for your share of the amount of that premium provided that this is £5.00 or more. Cheques are expected to be despatched by no later than 12 October 2021 and will be sent to your address appearing on the Company's register of members (or to the first-named holder if you hold your Shares jointly). If the Underwriters cannot find investors who agree to pay a premium over the Issue Price and related expenses so that your entitlement would be £5.00 or more, you will not receive any payment, and any amounts of less than £5.00 will be aggregated and ultimately paid to the Company.

19. Will the Rights Issue affect the future dividends the Company pays?

Following completion of the Rights Issue, future dividend payments will be adjusted for the Rights Issue. The adjustment will take account of the discount in the Issue Price to the share price at close of business on 8 September 2021, being the day prior to the announcement of the terms of the Rights Issue.

20. What if I hold options and awards under the Employee Share Schemes?

Participants in the Employee Share Schemes will be contacted separately with further information on how their options and awards granted under such plans may be affected by the Rights Issue. Participants in the SIP will be contacted separately regarding their participation in the Rights Issue as beneficial owners of Shares held in the SIP.

21. How do I transfer my Rights into the CREST system?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your New Shares to be in uncertificated form, you should complete Form X and the CREST Deposit Form (both on the Provisional Allotment Letter), and ensure they are delivered to CREST Courier and Sorting Service to be received by 3:00 p.m. (London time) on 22 September 2021 at the latest. CREST sponsored members should arrange for their CREST sponsors to do this.

If you have transferred your rights into the CREST system, you should refer to paragraph 4.2 of Part IX (*Terms and Conditions of the Rights Issue*) of this document for details on how to pay for the New Shares.

22. What should I do if I think my holding of Shares is incorrect?

If you have recently bought or sold Shares, your transaction may not be entered on the register of members in time to appear on the register at the Record Date. If you are concerned about the figure in the Provisional Allotment Letter or CSN Form of Instruction or otherwise concerned that your holding of Shares is incorrect, please call the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

23. I am a Qualifying Shareholder with a registered address in the United Kingdom and I hold my Existing Shares in the Nominee Service. What are my choices and what should I do with the CSN Form of Instruction?

23.1 If you want to take up some or all of the Rights held by the Nominee Service on your behalf

If you want to take up some or all of your Rights to acquire the New Shares to which you are entitled, all you need to do is send the CSN Form of Instruction, together with your cheque or banker's draft for the full amount, payable to "Equiniti FS Limited Client AC RI easyJet" and crossed "A/C payee only", by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive by no later than 11:00 a.m. on 27 September 2021. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the CSN Form of Instruction. Full instructions are set out below and will be set out in the CSN Form of Instruction.

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 CSN Form of Instruction.

Any New Share acquired under Option 1A or 1B will not be applied to your Nominee Service account until 5 business days following completion of the Rights Issue as any cheques submitted by the Nominee Service participant will not be treated as cleared, available funds until that date.

23.2 If you do not want to take up the Rights held by the CSN on your behalf

If you do not want to take up your rights, you do not need to do anything. If you do not return your CSN Form of Instruction subscribing for the New Shares to which you are entitled by 11:00 a.m. on 27 September 2021, the CSN will take no action and your Rights will lapse. The Company has made arrangements under which the Underwriters will try to find investors to take up your rights and the rights of others who have not taken up their rights. If the Underwriters do find investors who agree to pay a premium above the Issue Price and the related expenses of procuring those investors (including any applicable brokerage and commissions and amounts in respect of value added tax), the CSN will send you a cheque for your pro rate share of the amount of that premium received by the CSN. Cheques are expected to be despatched by no later than 12 October 2021 and will be sent to your address held by the CSN. If the Underwriters cannot find investors who agree to pay a premium over the Issue Price and related expenses, you will not receive any payment. Alternatively, if you do not want to take up your rights, you can sell or transfer your Nil Paid Rights (see paragraph 23.3 below).

23.3 If you want to sell all of your Rights held by the CSN on your behalf

If you want to sell all of your rights (Option 2) or instruct the CSN to process a Cashless Take-up on your behalf through the Special Dealing Service (Option 3) you may select either Option 2 or Option 3 and return the CSN Form of Instruction using the reply paid envelope provided by 5.00 p.m. on 20 September 2021. The CSN will arrange to sell, subject to the instructions received by the deadline the relevant number of Rights cheques are expected to be despatched by no later than 23 September 2021 and will be sent to your address held by the CSN.

23.4 What if the number of New Shares to which I am entitled within the CSN is not a whole number? Am I entitled to fractions of New Shares?

Your entitlement to New Shares will be calculated at the Record Date (other than in the case of those who bought shares after the Record Date but prior to 8:00 a.m. on 13 September 2021 who are eligible to participate in the Rights Issue). If the result is not a whole number, you will not be provisionally allotted a New Share in respect of the fraction of a New Share and your entitlement will be rounded down to the nearest whole number. The CSN will arrange to aggregate the fractional Rights due to the CSN participants and sell them on your behalf. The CSN will send you a cheque for your pro rate share of the fractional settlement received. Cheques are expected to be despatched by no later than 23 September 2021 and will be sent to your address held by the CSN.

23.5 Can I change my decision to take up my Rights?

Once you have returned your CSN Form of Instruction, you cannot withdraw your application or change the number of New Shares that you have applied for, save in accordance with paragraph 6.3 of Part IX *Terms and Conditions of the Rights Issue*).

PART IX
TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1. Details of the Rights Issue

The Company is proposing to raise proceeds of approximately £1,196 million (net of fees, costs and expenses) by way of the Rights Issue.

The Rights Issue will be made on the basis of:

31 New Shares for every 47 Existing Shares

held by and registered in the names of Qualifying Shareholders at the close of business on the Record Date.

The Company is proposing to offer 301,260,394 New Shares (representing approximately 66.0% of the Company's existing issued share capital and 39.7% of the Enlarged Issued Share Capital) in connection with the Rights Issue to Qualifying Shareholders other than, subject to certain exemptions, to those Qualifying Shareholders with a registered address, or resident, in one of the Excluded Territories.

The Rights Issue is to be made at the Issue Price of 410 pence per New Share, payable in full on acceptance by no later than 11:00 a.m. (London time) on 27 September 2021.

The Issue Price of 410 pence per New Share represents:

- a 48.0% discount to the closing price of an Existing Share; and
- a 35.8% discount to the theoretical ex-Rights price of an Existing Share,

in each case based on the closing middle-market price of 789 pence on the LSE on the Latest Practicable Date.

It is expected that Admission will become effective and that: (1) dealings in the New Shares (nil paid) will commence on the LSE by 8:00 a.m. (London time) on 13 September 2021; and (2) dealings in the New Shares (fully paid) will commence on the LSE by 8:00 a.m. (London time) on 28 September 2021.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders but will be aggregated and sold in the market on behalf of the relevant Qualifying Shareholders. Amounts of less than £5.00 at the date of payment will not be paid to such Qualifying Shareholders and will instead be retained for the benefit of the Company.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of issue of the New Shares.

If a Qualifying Shareholder does not take up any of his or her Rights to subscribe for New Shares, such Qualifying Shareholder's economic and voting interests, as a percentage of the Enlarged Issued Share Capital, will be diluted by 39.7% as a result of the Rights Issue.

Qualifying Shareholders are holders of Shares on the register of members of the Company or the Nominee Service at the Record Date. With the exclusion (subject to certain exceptions) of Qualifying Shareholders with a registered address, or who are located or resident, in any of the Excluded Territories, Qualifying Shareholders will be entitled to take up the New Shares represented by their entitlements to Nil Paid Rights. Subject to certain exceptions, Nil Paid Rights to which Qualifying Shareholders with registered addresses, or who are located or resident, in any of the Excluded Territories would otherwise be entitled, will be aggregated with entitlements to Nil Paid Rights which have not been taken up by other Qualifying Shareholders and, if possible, sold as described in paragraph 6 below.

The Nil Paid Rights (also described as New Shares, nil paid) are entitlements to subscribe for New Shares subject to payment of the Issue Price. The Fully Paid Rights are entitlements to receive the New Shares, for which payment of the Issue Price has already been made.

Holdings of Shares in certificated form or uncertificated form will each be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Entitlements to New Shares arising under the Rights Issue will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Qualifying Shareholders but will be aggregated and sold in the market for the benefit of the Company.

The attention of Shareholders with a registered address in, or who are resident or located in countries other than the United Kingdom, or who are holding Shares in the Company for the benefit of such a person, and any person (including, without limitation, custodians, nominees, agents and trustees) who has a contractual or other legal obligation to forward this document (or any Provisional Allotment Letter) into a jurisdiction other than the United Kingdom is drawn to paragraph 8 of this Part IX. In particular, subject to the provisions of paragraph 8 of this Part IX and certain exceptions, Qualifying Shareholders with a registered address in any of the Excluded Territories and holders of ADRs will not be sent Provisional Allotment Letters and will not have their CREST stock accounts credited with Nil Paid Rights.

Applications have been made to the FCA for the New Shares (nil paid and fully paid) to be admitted to the premium segment of the Official List and to the LSE for the New Shares (nil paid and fully paid) to be admitted to trading on its Main Market. It is expected that Admission will become effective and that: (1) dealings in the New Shares (nil paid) will commence on the LSE by 8:00 a.m. (London time) on 13 September 2021; and (2) dealings in the New Shares (fully paid) will commence on the LSE by 8:00 a.m. (London time) on 28 September 2021.

The New Shares and the Existing Shares are in registered form and can be held in certificated form or uncertificated form via CREST. The Existing Shares are already admitted to CREST. Accordingly, no further application for admission to CREST is required for the New Shares and all the New Shares when issued and fully paid may be held and transferred by means of CREST. It is expected that the Nil Paid Rights will trade under ISIN GB00BMY5XK54 and the Fully Paid Rights will trade under ISIN GB00BMZ0FW54.

Applications have been made for the Nil Paid Rights and the Fully Paid Rights to be admitted to CREST. Euroclear requires the Company to confirm that certain conditions (imposed by the CREST Manual) are satisfied before Euroclear will admit the Nil Paid Rights and the Fully Paid Rights to CREST. It is expected that these conditions will be satisfied on Admission. As soon as practicable after satisfaction of the conditions, the Company will confirm this to Euroclear.

None of the New Shares have been marketed or are being made available in whole or in part to the public other than pursuant to the Rights Issue.

The Rights Issue has been underwritten by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

The Rights Issue is conditional, *inter alia*, upon:

- (i) the Underwriting Agreement having become unconditional in all respects save for the conditions relating to Admission; and
- (ii) Admission occurring on or before 8:00 a.m. (London time) on 14 September 2021 (or such later time and date as the Joint Global Coordinators and the Company may agree).

The Joint Global Coordinators may arrange sub-underwriting for some, all or none of the New Shares. The Underwriting Agreement is conditional upon certain matters being satisfied or not occurring prior to Admission and may also be terminated by the Underwriters prior to Admission upon the occurrence of certain specified events, in which case the Rights Issue will not proceed. After Admission, however, the Underwriting Agreement will not be subject to any right of termination. A summary of certain terms and conditions of the Underwriting Agreement is set out in paragraph 14.1 of Part XVII (*Additional Information*) of this document.

The Underwriters and any of their respective affiliates may, in accordance with applicable legal and regulatory provisions and pursuant to the terms and conditions of the Underwriting Agreement, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the New Shares and/or related instruments as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account(s) in the Nil Paid Rights, Fully Paid Rights or New Shares, any other securities of the Company or other related investments as required in connection with the Rights Issue or otherwise.

Accordingly, references in this document to the Nil Paid Rights, Fully Paid Rights or New Shares being issued, offered, subscribed for or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by any of the Underwriters and any of their respective affiliates acting in such capacity.

In addition, certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time subscribe for, acquire, hold or dispose of New Shares. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Underwriters may coordinate a sell-down in the event that any underwriting crystallises as a result of the Rights Issue.

Subject to, amongst other things, the conditions of the Rights Issue in paragraph 2 below being satisfied, and save as provided in this Part IX, it is expected that:

- (i) Provisional Allotment Letters or CSN Forms of Instruction in respect of Nil Paid Rights will be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, such Qualifying Non-CREST Shareholders with a registered address in any of the Excluded Territories) on 10 September 2021;
- (ii) the Registrar will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than, subject to certain exceptions, such Qualifying CREST Shareholders with a registered address in any of the Excluded Territories) with such Shareholders' entitlements to Nil Paid Rights, with effect from as soon as practicable after 8:00 a.m. (London time) on 13 September 2021;
- (iii) the Nil Paid Rights and the Fully Paid Rights will be enabled for settlement by Euroclear on 13 September 2021, as soon as practicable after the Company has confirmed to Euroclear that all the conditions for admission of such Rights to CREST have been satisfied;
- (iv) New Shares will be credited to the appropriate stock accounts of relevant Qualifying CREST Shareholders (or their renounees) who validly take up their Rights as soon as reasonably practicable after 10:00 a.m. (London time) on 28 September 2021; and
- (v) share certificates for the New Shares will be despatched to relevant Qualifying Certificated Shareholders (or their renounees) who validly take up their Rights by no later than 12 October 2021, at their own risk.

The offer will be made: (a) to Qualifying Non-CREST Shareholders by way of the Provisional Allotment Letter (as described in paragraph (i) above); and (b) to Qualifying CREST Shareholders by way of the enablement of the Nil Paid Rights and the Fully Paid Rights (as described in paragraph (iii) above) (such Shareholders' stock accounts having been credited as described in paragraph (ii) above), in each case such offer being made on the terms and conditions set out in this document (and, in the case of Qualifying Non-CREST Shareholders holding shares in certificated form, any relevant Provisional Allotment Letter) and based on the information contained in this document.

The offer of New Shares pursuant to the Rights Issue is not being, and will not be, made by means of this document into any of the Excluded Territories or any other jurisdiction outside the United Kingdom in which it would be illegal to make an offer. The attention of Overseas Shareholders is drawn to paragraph 8 of this Part IX.

For the purposes of section 578 of the Companies Act 2006, New Shares validly subscribed for by a Shareholder or any other person in the Rights Issue may be allotted by the Company notwithstanding any failure by any other Shareholder or other person to subscribe for New Shares. The New Shares will, when issued and fully paid, be ordinary shares ranking *pari passu* in all respects with the Existing Shares, and will rank in full for all dividends and distributions thereafter declared, made or paid on the share capital of the Company, save in respect of any dividend or distribution with a record date falling before the date of the issue of the New Shares. The rights attaching to the New Shares are governed by the Articles, a summary of which is set out in paragraph 6 of Part XVII (*Additional Information*) of this document. There will be no restrictions on the free transferability of the New Shares save as provided in the Articles.

All documents including Provisional Allotment Letters, cheques and definitive share certificates posted to, by or from Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

Any person who accepts and/or renounces a Provisional Allotment Letter, or who requests registration of the New Shares comprised therein, or who makes a valid acceptance in accordance with the procedures set out in this Part IX will be deemed by doing so to make the representations and warranties to the Company and the Underwriters contained in paragraph 8.8 of this Part IX. Shareholders taking up their Rights by sending a many-to-many (“**MTM**”) instruction to Euroclear will also be deemed to have given the representations and warranties set out in paragraph 5.2.4 of this Part IX, unless the requirement is waived by the Company and the Joint Global Coordinators.

Shareholders and other persons who are “Relevant Persons” (that is, non-EU Nationals) should be aware that New Shares issued to them in connection with the Rights Issue may be deemed to be “Affected Shares” for the purposes of the Company’s Articles, in which case such New Shares will be disenfranchised until such time as either the proportion of the Company’s Shares held by Relevant Persons does not exceed the Permitted Maximum or, as a result of subsequent trading in the Company’s Shares, a sufficient number of other Shares are deemed to be Affected Shares to enable the re-enfranchisement of New Shares acquired in the Rights Issue.

The Directors have determined that the LIFO principle which is currently used to determine the order of priority for Shares to be treated as Affected Shares shall be extended to apply to the Rights Issue such that the a Shareholder or other investor who qualifies as a Relevant Person and who takes up Nil Paid Rights after another Shareholder or investor has done so will be liable for such Shares as they acquire as a result of their take up of Nil Paid Rights to be treated as Affected Shares, if at all, in priority to those of any Shareholder or investor who took up Nil Paid Rights at an earlier time. The Directors have agreed a protocol with the Company’s Registrars, Equiniti, to determine the order in time at which rights are taken up or otherwise acquired by Shareholders and other investors in the Rights Issue and accordingly the order of priority in which New Shares acquired by non-EU Nationals in the Rights Issue shall be designated as Affected Shares if, following completion of the Rights Issue, the proportion of Shares held by non-EU Nationals exceeds the Permitted Maximum. Pursuant to the protocol agreed with Equiniti, for CREST Shareholders, the date and time for the take up of Nil Paid Rights or acquisition of Fully Paid Rights will be such date and time the CREST Shareholder submits their application through CREST. For non-CREST Shareholders, this will be the date and time the requisite details from the Provisional Allotment Letters are recorded by Equiniti following a multi-step verification, batching and processing procedure/. Pursuant to the protocol, the Directors have discretion to determine the outcome in the event there is any uncertainty as to how the protocol should apply to any specific circumstance or in the event it is impossible to ascertain which of any two or more actions occurred first in time.

Pursuant to the protocol agreed with Equiniti, New Shares which are not taken up by Shareholders or other investors in the Rights Issue (“**Existing Investors**”) and which are instead sold or taken up by Underwriters or new investors pursuant to the procedure set out in paragraph 6.1 of this Part IX (*Terms and Conditions of the Rights Issue*) (“**New Investors**”) shall be deemed to have been acquired simultaneously and at a point in time after the acquisition of New Shares by Existing Investors. As a result, New Shares acquired by New Investors shall, if acquired by non-EU Nationals, be deemed to be Affected Shares and subject to disenfranchisement in priority to New Shares acquired by Existing Investors. If it is necessary to deem any of the New Shares acquired by New Investors who are non-EU Nationals as Affected Shares the Directors have determined that such New Shares will be disenfranchised on a proportional basis, such that the same proportion of New Shares acquired by each New Investor who is a non-EU National shall be subject to disenfranchisement.

In accordance with the Company’s Articles any decision taken by the Directors as to the designation of a Shareholder as a Relevant Person and/or the designation of a Share as an Affected Share shall be final and conclusive and shall not be open to challenge on any ground whatsoever.

In the event that a Shareholder’s Shares are treated as Affected Shares or are no longer treated as Affected Shares, the Registrar on behalf of the Company sends a letter to such Shareholder informing it of this.

easyJet has in the past discussed and may in the future, including as a result of any change to relevant regulatory requirements, discuss with the FCA the Company’s application of the LIFO principle to determine which Shares are treated as Affected Shares for the purposes of

disenfranchisement. The Company may in the future be required to adopt an alternative basis for determining which Shares are treated as Affected Shares for the purposes of disenfranchisement, such as designating an equal proportion of all shares held by non-EU Nationals to be Affected Shares. This could result in certain non-EU Nationals who are Shareholders being subject to disenfranchisement in circumstances where under the LIFO principle they would not be subject to disenfranchisement.

Times and dates referred to in this Part IX have been included on the basis of the expected timetable for the Rights Issue set out in Part V (*Expected Timetable of Principal Events*).

Shareholders will not be charged expenses by the Company in respect of the Rights Issue.

2. Conditionality

The Underwriting Agreement is conditional, *inter alia*, upon:

- (i) the Underwriting Agreement having become unconditional in all respects save for the conditions relating to Admission; and
- (ii) Admission occurring on or before 8:00 a.m. (London time) on 14 September 2021 (or such later time and date as the Joint Global Coordinators and the Company may agree).

If any of the conditions is not satisfied or, if applicable, waived, then the Rights Issue will not take place. In such circumstances, application monies will be returned without payment of interest, as soon as practicable thereafter.

The Rights Issue will become fully unconditional at Admission. Following Admission, the Underwriting Agreement will not be subject to any condition or right of termination (including in respect of statutory withdrawal rights). For further details of the Underwriting Agreement, please see paragraph 14.1 of Part XVII (*Additional Information*) of this document.

3. Action to be taken

The action to be taken in respect of New Shares depends on whether, at the relevant time, the Qualifying Shareholder holds his or her Shares in certificated form or uncertificated form (that is, in CREST) or in the Nominee Service.

If you are a Qualifying Shareholder and you have any queries about the Rights Issue or the procedure for acceptance and payment, please call the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

If you are a Qualifying Non-CREST Shareholder, have received a Provisional Allotment Letter, and, subject to certain exceptions, are not located in and do not have a registered address in any of the Excluded Territories, please refer to paragraph 4 of this Part IX.

If you are a Qualifying CREST Shareholder, and, subject to certain exceptions, are not located in and do not have a registered address in any of the Excluded Territories, please refer to paragraph 5 of this Part IX and to the CREST Manual for further information on the CREST procedures referred to below.

If you are a Nominee Service participant, have received a CSN Form of Instruction and, subject to certain exceptions, are not located in and do not have a registered address in any of the Excluded Territories, please refer to paragraph 4 of this Part IX.

If you are Qualifying Shareholder located in and/or with a registered address in any of the Excluded Territories, please refer to paragraph 8 of this Part IX.

CREST sponsored members should refer to their CREST sponsors, as only their CREST sponsors will be able to take the necessary actions specified below to take up the entitlements or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

4. Action to be taken by Qualifying Non-CREST Shareholders in relation to Nil Paid Rights represented by Provisional Allotment Letters or CSN Forms of Instruction

4.1 General

The Company intends that the Provisional Allotment Letters will be despatched to Qualifying Non-CREST Shareholders or CSN Forms of Instruction to Nominee Service participants (as applicable) (other than, subject to certain exceptions, such Qualifying Non-CREST Shareholders with a registered address in any of the Excluded Territories) on 10 September 2021.

The personalised Provisional Allotment Letter and CSN Forms of Instruction will set out:

- the holding of Existing Shares at the Record Date on which the Qualifying Shareholder's entitlement to New Shares has been based;
- the aggregate number and cost of New Shares in certificated form which have been provisionally allotted to such Qualifying Non-CREST Shareholder or Nominee Participant (as applicable);
- a box for the Qualifying Non-CREST Shareholder or Nominee Participant (as applicable) to confirm their nationality;
- the procedures to be followed if a Qualifying Shareholder who is eligible to use the Special Dealing Service wishes to sell all of his or her Nil Paid Rights or to effect a Cashless Take-up using the Special Dealing Service; and
- the procedures to be followed if a Qualifying Non-CREST Shareholder wishes to dispose of all or part of his entitlement or to convert all or part of his entitlement represented by the Provisional Allotment Letter into uncertificated form;
- instructions regarding acceptance and payment, consolidation, splitting and registration of renunciation in respect of the Provisional Allotment Letter.

On the basis that Provisional Allotment Letters and CSN Forms of Instruction are posted on 10 September 2021 and that dealings in the New Shares commence, nil paid, on 13 September 2021,

- the latest time and date for acceptance and payment in full will be 11:00 a.m. (London time) on 27 September 2021; and
- the latest time and date for receipt of instructions under the Special Dealing Service in respect of the sale of all Nil Paid Rights or a Cashless Take-up will be 5:00 p.m. (London time) on 17 September 2021.

If the Rights Issue is delayed so that Provisional Allotment Letters and CSN Forms of Instruction cannot be despatched on 10 September 2021, the expected timetables set out in Part V (*Expected Timetable of Principal Events*) of this document will be adjusted accordingly and the revised dates will be set out in the Provisional Allotment Letters and CSN Forms of Instruction and announced through a Regulatory Information Service. References to dates and times in this document should be read as subject to any such adjustment.

4.2 Procedure for acceptance and payment

4.2.1 Qualifying Non-CREST Shareholders who wish to accept in full

Holders of Provisional Allotment Letters who wish to take up all of their entitlements must complete and return the Provisional Allotment Letter or CSN Forms of Instruction, together with a cheque or bankers' draft in pounds sterling made payable (i) in the case of Qualifying Non-CREST Shareholders in possession of a Provisional Allotment Letter to "Equiniti Limited re easyJet plc Rights Issue" or (ii) in the case of Nominee Service participants in possession of the CSN Form of Instruction to "Equiniti FS Ltd Client AC CSN RI easyJet" for the full amount payable on acceptance, in accordance with the instructions printed on the Provisional Allotment Letter or the CSN Form of Instruction, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, so as to be received as soon as possible and in any event so as to be received by not later than 11:00 a.m. (London time) on 27 September 2021, being the last date and time for

acceptances. A reply-paid envelope will be enclosed with the Provisional Allotment Letter or the CSN Form of Instruction for this purpose and for use within the United Kingdom only. If you post your Provisional Allotment Letter or the CSN Form of Instruction within the United Kingdom by first class post, it is recommended that you allow at least four days for delivery.

4.2.2 Qualifying Non-CREST Shareholders who wish to accept in part

Holders of Provisional Allotment Letters or the CSN Forms of Instruction who wish to take up some but not all of their Nil Paid Rights (other than by effecting a Cashless Take-up using the Special Dealing Service) should refer to paragraph 4.9 below.

Holders of Provisional Allotment Letters who wish to take up some but not all of their Nil Paid Rights by effecting a Cashless Take-up using the Special Dealing Service should refer to paragraph 4.10.2 below.

4.3 Company's discretion as to validity of acceptances

If payment is not received in full by 11:00 a.m. (London time) on 27 September 2021, the provisional allotment will be deemed to have been declined and will lapse. The Company and the Joint Global Coordinators may (in their absolute discretion) treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney (where required).

The Company and the Joint Global Coordinators reserve the right to treat as invalid any acceptance or purported acceptance of the offer of New Shares that appears to the Company to have been executed in, despatched from or that provides an address for the delivery of definitive share certificates for New Shares in an Excluded Territory.

A Qualifying Non-CREST Shareholder who makes a valid acceptance and payment in accordance with this paragraph 4.2 is deemed to request that the Fully Paid Rights and/or New Shares New Shares to which he will become entitled be issued to him/her on the terms set out in this document and subject to the Company's Articles.

4.4 Payments

All payments must be made in GBP by: (i) cheque; or (ii) banker's draft in pounds sterling drawn on an account at a branch in the United Kingdom of a bank or building society and bear a UK bank or building society sort code number in the top right-hand corner

Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable (i) in the case of Qualifying Non-CREST Shareholders in possession of a Provisional Allotment Letter to "Equiniti Limited re easyJet plc Rights Issue" or (ii) in the case of Nominee Service participants in possession of the CSN Form of Instruction to "Equiniti FS Ltd Client AC CSN RI easyJet". 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 account name should be the same as that shown on the Provisional Allotment Letter. Neither post-dated cheques nor payments via CHAPS, BACS or electronic transfer will be accepted. All documents, cheques and bankers' drafts sent through the post will be sent at the risk of the sender.

The Company reserves the right to have cheques and bankers' drafts presented for payment on receipt and to instruct the Receiving Agent to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. Interest will not be paid on payments made before such payments are due but will accrue for the benefit of the Company.

Return of the Provisional Allotment Letter with a remittance in the form of a cheque or banker's draft will constitute a warranty that the cheque or banker's draft will be honoured on first presentation. The Company may elect, in its absolute discretion, to treat as invalid any acceptances in respect of which cheques or bankers' drafts are notified to it or its agent as not having been so honoured. If New Shares have already been allotted to Qualifying Non-CREST Shareholders prior to any payment not being so honoured and such acceptances being treated as invalid, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf

of such Qualifying Non-CREST Shareholders and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Non-CREST Shareholders pursuant to the provisions of this Part IX in respect of the subscription of such shares) on behalf of such Qualifying Non-CREST Shareholders. In these circumstances neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by Qualifying Non-CREST Shareholders as a result.

If a cheque or banker's draft sent by a Qualifying Non-CREST Shareholder or Nominee Participant is drawn for an amount different from that set out on that Shareholder's Provisional Allotment Letter or CSN Form of Instruction (as applicable), that Shareholder's application shall be treated as an acceptance in respect of such whole number of shares that could be subscribed for at the Issue Price with the amount for which that cheque or banker's draft is drawn (and not the amount set out in the Provisional Allotment Letter or CSN Form of Instruction (as applicable)). Any balance from the amount of the cheque will be retained for the benefit of the Company.

4.5 Further representations and warranties

Holders of Provisional Allotment Letters who accept and/or renounce their Provisional Allotment Letter also make the representations and warranties set out in paragraph 8.8.1 of this Part IX, except in the circumstances described in that paragraph.

4.6 Money Laundering Regulations

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations 2007 (SI 2007/2157) ("**Money Laundering Regulations**"), the Receiving Agent may require, at its absolute discretion, verification of the identity of the person lodging the Provisional Allotment Letter and, where relevant, its beneficial owner or ultimate controller and/or of any person on whose behalf the Provisional Allotment Letter is lodged with payment and, where relevant, its beneficial owner or ultimate controller (which requirements are referred to below as the "verification of identity requirements"). If an application is made 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 Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Provisional Allotment Letter.

The person who, by lodging the Provisional Allotment Letter with payment (the "applicant"), (including any person who appears to the Receiving Agent to be acting on behalf of some other person) accepts the allotment of the New Shares comprised in such Provisional Allotment Letter (being the provisional allottee or, in the case of renunciation, the person named in such Provisional Allotment Letter), shall thereby be deemed to agree to provide the Receiving Agent and/or the Company with such information and other evidence as either of them may require to satisfy the verification of identity requirements and agree for the Receiving Agent and/or the Company to make a search using a credit reference agency for the purposes of confirming such identity; where deemed necessary a record of the search will be retained. Return of the Provisional Allotment Letter with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by acceptance of such remittance.

If the Receiving Agent determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which the Registrars shall in their absolute discretion determine) by 11:00 a.m. (London time) on 27 September 2021, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the Rights Issue) such shares will not be issued to him/her or registered in his name until the verification of identity requirements have been satisfied (which the Registrars shall in their absolute discretion determine). If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the acceptor, as the Company may in its absolute discretion allow, the Company in consultation with the Underwriters will be entitled to make arrangements to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the acceptor). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchaser(s) or an

amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the acceptor, subject to the requirements of the Money Laundering Regulations. The Receiving Agent is entitled in its absolute discretion to determine whether the verification of identity requirements apply to any acceptor and whether such requirements have been satisfied. Neither the Company, the Receiving Agent, nor the Underwriters will be responsible or liable to any person for any loss suffered or incurred as a result of the exercise of any such discretion or as a result of any sale of relevant shares.

Return of a Provisional Allotment Letter with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in an acceptance being treated as invalid or in delays in the despatch of a receipted fully-paid Provisional Allotment Letter or a share certificate.

Where the verification of identity requirements apply, please note the following, as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

- payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society and bear a UK bank or building society sort code number in the top right-hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable (i) in the case of Qualifying Non-CREST Shareholders in possession of a Provisional Allotment Letter to "Equiniti Limited re easyJet plc Rights Issue" or (ii) in the case of Nominee Service participants in possession of the CSN Form of Instruction to "Equiniti FS Ltd Client AC CSN RI easyJet". 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 account name should be the same as that shown on the application; or
- if the Provisional Allotment Letter is lodged with payment by an agent which is an organisation required to comply with the EU Money Laundering Directive (2005/06/EC) or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, China, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Japan, Korea, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide written confirmation that it has that status with the Provisional Allotment Letter(s) and written assurances 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 and/or any relevant regulatory or investigatory authority.

In order to confirm the acceptability of any written assurance referred to above, or in any other case, the applicant should contact the Shareholder Helpline on 0333 207 6509 (or on +44(0) 333 207 6509 if calling outside the United Kingdom). The Shareholder Helpline will be open between 8:30 a.m. and 5:30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). 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. Different charges may apply to calls to the Shareholder Helpline from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be only be able to provide information contained in this document and information relating to the Company's register of members and will be unable to give advice on the merits of the Rights Issue or provide legal, financial, tax or investment advice.

4.7 Dealings in Nil Paid Rights

Assuming the Rights Issue becomes unconditional, dealings on the LSE in the Nil Paid Rights are expected to commence at 8:00 a.m. (London time) on 13 September 2021. A transfer of Nil Paid Rights can be made by renunciation of the Provisional Allotment Letter in accordance with the instructions printed on it and delivery of the letter to the transferee. The latest time and date for

registration of renunciation of Provisional Allotment Letters, nil paid, is expected to be 11:00 a.m. (London time) on 27 September 2021.

4.8 Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and the Provisional Allotment Letter, the Fully Paid Rights may be transferred by renunciation of the relevant Provisional Allotment Letter and delivering it, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than 11:00 a.m. (London time) on 27 September 2021. To do this, Qualifying Non-CREST Shareholders will need to have their fully paid Provisional Allotment Letters returned to them after acceptance has been effected by the Receiving Agent.

Fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders unless their return is requested by ticking the appropriate box on the Provisional Allotment Letter.

4.9 Transfer, renunciation and splitting of Provisional Allotment Letters

Holders of Provisional Allotment Letters who wish to transfer all of their Nil Paid Rights or, after acceptance of the provisional allotment and payment in full, Fully Paid Rights comprised in a Provisional Allotment Letter, other than by effecting a Cashless Take-up using the Special Dealing Service described in paragraph 4.10.2 below, may (save as required by the laws of certain overseas jurisdictions) renounce such allotment by completing and signing Form X on the Provisional Allotment Letter (if it is not already marked "Original Duly Renounced") and passing the entire Provisional Allotment Letter to their stockbroker or bank or other appropriate financial adviser or to the transferee. Once a Provisional Allotment Letter has been renounced, the letter will become a negotiable instrument in bearer form and the Nil Paid Rights or Fully Paid Rights (as appropriate) comprised in the Provisional Allotment Letter may be transferred by delivery of the Provisional Allotment Letter to the transferee. The latest time and date for registration of renunciation of Provisional Allotment Letters, fully paid, is 11:00 a.m. (London time) on 27 September 2021. Qualifying Non-CREST Shareholders should note that fully paid Provisional Allotment Letters will not be returned to Qualifying Non-CREST Shareholders.

If a holder of a Provisional Allotment Letter wishes to have only some of the New Shares registered in his name and to transfer the remainder, or wishes to transfer all the Nil Paid Rights or (if appropriate) Fully Paid Rights but to different persons, he may have the Provisional Allotment Letter split, for which purpose he or his agent must complete and sign Form X on the Provisional Allotment Letter. The Provisional Allotment Letter must then be delivered by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than 3:00 p.m. (London time) on 23 September 2021, to be cancelled and exchanged for the split Provisional Allotment Letters required. The number of split Provisional Allotment Letters required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split letter should be stated in an accompanying letter. Form X on split Provisional Allotment Letters will be marked "Original Duly Renounced" before issue.

The Company and the Underwriters reserve the right to refuse to register any renunciation in favour of any person in respect of which the Company believes such renunciation may violate applicable legal or regulatory requirements, including (without limitation) any renunciation in the name of any person with an address outside the United Kingdom.

Alternatively, holders of Provisional Allotment Letters who wish to take up some of their rights, without transferring the remainder, should complete Form X on the original Provisional Allotment Letter and return it, together with a covering letter confirming the number of rights to be taken up and a cheque or banker's draft in pounds sterling to pay for this number of New Shares, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In this case, the Provisional Allotment Letter and payment must be received by the Receiving Agent by 11:00 a.m. (London time) on 27 September 2021.

4.10 Special Dealing Service

4.10.1 Qualifying Non-CREST Shareholders (including Nominee Service Participants) who wish to sell all of their entitlement using the Special Dealing Service

Qualifying Non-CREST Shareholders (including Nominee Service participants) who are individuals with a registered address in the United Kingdom, EEA, Isle of Man, the Channel Islands, Switzerland or Gibraltar and who wish to sell all of the Nil Paid Rights to which they are entitled may elect to do so using the Special Dealing Service. Such Qualifying Non-CREST Shareholders should complete and return the Provisional Allotment Letter or CSN Form of Instruction in accordance with the instructions printed thereon, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than 5:00 p.m. (London time) on 17 September 2021, the latest time and date for requesting the sale of Nil Paid Rights through the Special Dealing Service.

A reply-paid envelope will be enclosed with the Provisional Allotment Letter or CSN Form of Instruction for this purpose. If you post your Provisional Allotment Letter or CSN Form of Instruction within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. Equiniti Financial Services Limited will not charge a commission on any sale of Nil Paid Rights effected using the Special Dealing Service.

Under the Special Dealing Service, Equiniti Financial Services Limited will collate all the instructions from Qualifying Non-CREST Shareholders wishing to use the service to sell all their Nil Paid Rights up to 11:00 a.m. (London time) on 27 September 2021 and instruct a broker to sell all such Nil Paid Rights on the Business Day following 5:00 p.m. (London time) on 28 September 2021, the latest time and date for requesting the sale of Nil Paid Rights through the Special Dealing Service.

Equiniti Financial Services Limited will aggregate instructions from all Qualifying Non-CREST Shareholders who have elected to sell all of their Nil Paid Rights under the Special Dealing Service that are received (or are treated as having been received). Such Nil Paid Rights in respect of which an instruction is received may be sold in several transactions and on separate days. Qualifying Non-CREST Shareholders would receive the average price obtained for the sale of all of the Nil Paid Rights aggregated for sale purposes in accordance with the above. This may result in Qualifying Non-CREST Shareholders who choose to sell all of their Nil Paid Rights through the Special Dealing Service receiving a higher or lower price than if their Nil Paid Rights were sold separately. This may also result in Qualifying Non-CREST Shareholders who choose to sell all of their Nil Paid Rights through the Special Dealing Service receiving a higher or lower price for their Nil Paid Rights than if all of their Nil Paid Rights had been sold in a single transaction or on a single day and such Qualifying Non-CREST Shareholders may receive the proceeds of sale later than if their Nil Paid Rights had been sold by another broker on an individual basis.

A Qualifying Non-CREST Shareholder who is considering giving an instruction to sell all of their Nil Paid Rights under the Special Dealing Service should note that there is no guarantee that the sale of Nil Paid Rights will be effected under the Special Dealing Service in relation to their Nil Paid Rights.

4.10.2 Qualifying Non-CREST Shareholders who wish to effect a Cashless Take-up using the Special Dealing Service

Qualifying Non-CREST Shareholders (including Nominee Service participants) who are individuals with a registered address in the United Kingdom, EEA, Isle of Man, the Channel Islands, Switzerland or Gibraltar and who wish to effect a Cashless Take-up may elect to do so using the Special Dealing Service. Such Qualifying Non-CREST Shareholders should complete and return the Provisional Allotment Letter or CSN Form of Instruction in accordance with the instructions printed thereon, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than 5:00 p.m. (London time) on 17 September 2021, the latest time and date for requesting a Cashless Take-up through the Special Dealing Service.

A reply-paid envelope will be enclosed with the Provisional Allotment Letter or CSN Form of Instruction for this purpose. If you post your Provisional Allotment Letter or CSN Form of Instruction within the United Kingdom by first-class post, it is recommended that you allow at least four days for delivery. Equiniti Financial Services Limited will not charge a commission on the sale of all of the Nil Paid Rights to which the Qualifying Non-CREST Shareholder or Nominee Service participant is entitled for effecting such sale through the Special Dealing Service.

Under the Special Dealing Service, Equiniti Financial Services Limited will sell such number of Nil Paid Rights as is required to effect a Cashless Take-up for a Qualifying Non-CREST Shareholder on the Business Day following receipt from such Qualifying Non-CREST Shareholder of an Instruction for Cashless Take-up. Any Instruction received after 5:00 p.m. (London time) on 17 September 2021, the latest time and date for requesting a Cashless Take-up through the Special Dealing Service will be treated as invalid.

Equiniti Financial Services Limited will aggregate instructions from all Qualifying Non-CREST Shareholders who elect a Cashless Take-up under the Special Dealing Service that are received (or are treated as having been received). Such number of Nil Paid Rights which need to be sold to effect a Cashless Take-up for Qualifying Non-CREST Shareholders under the Special Dealing Service may be sold in several transactions and on separate days. Qualifying Non-CREST Shareholders would receive the average price obtained for the sale of all of the Nil Paid Rights aggregated for sale purposes in accordance with the above. This may result in Qualifying Non-CREST Shareholders who elect a Cashless Take-up under the Special Dealing Service receiving a higher or lower price than if their Nil Paid Rights were sold separately. This may also result in Qualifying Non-CREST Shareholders who choose to effect a Cashless Take-up under the Special Dealing Service receiving a higher or lower price for their Nil Paid Rights than if such Nil Paid Rights had been sold in a single transaction or on a single day.

A Qualifying Non-CREST Shareholder who is considering giving an instruction for Cashless Take-up under the Special Dealing Service should note that there is no guarantee that Cashless Take-up will be effected under the Special Dealing Service in relation to his or her Nil Paid Rights. If a Qualifying Non-CREST Shareholder's Nil Paid Rights are sold, but the proceeds obtained for the sale of the Nil Paid Rights are not sufficient, after the deduction of the commissions referred to above, to acquire any New Shares at the Issue Price, such Qualifying Non-CREST Shareholder will not receive any New Shares.

4.10.3 General

By giving an instruction under the Special Dealing Service, a Qualifying Non-CREST Shareholder will be deemed to have represented, warranted and undertaken that he or she will not thereafter seek to take any action in respect of his or her Provisional Allotment Letter or CSN Form of Instruction. By giving instruction under the Special Dealing Service, he or she will be deemed to have renounced his or her Nil Paid Rights, as applicable to his or her instruction.

The Special Dealing Service Terms and Conditions will be posted to Qualifying Non-CREST Shareholders and Nominee Service participants together with either the Provisional Allotment Letter or the CSN Form of Instruction. A Qualifying Non-CREST Shareholder who is eligible for and elects to use the Special Dealing Service agrees to the terms and conditions of the Rights Issue set out in this document and the Special Dealing Service Terms and Conditions (including how the price for the sale of their Nil Paid Rights is calculated and the commissions that will be deducted from the proceeds of their sale of such Nil Paid Rights). Qualifying Non-CREST Shareholders using the Special Dealing Service should note that they will be clients of Equiniti Financial Services Limited and not of the Company when using such service. Equiniti Financial Services Limited's liability to such a Qualifying Non-CREST Shareholder and its responsibility for providing the protections afforded by the UK regulatory regime to clients for whom such services are provided is as set out in the Special Dealing Service Terms and Conditions and neither the Receiving Agent, Equiniti, Equiniti Financial Services Limited nor the Company shall have any liability or responsibility to a Qualifying Non-CREST Shareholder using the Special Dealing Service, except as set out in those Special Dealing Service Terms and Conditions. None of the Company, Equiniti Financial Services Limited or their agents shall be responsible for any loss or damage (whether actual or alleged) arising from the terms or timing of any sale, any settlement issues arising from any sale, any exercise of discretion in relation to any sale, or any failure to procure any sale, of Nil Paid Rights pursuant to the Special Dealing Service.

The Company, Equiniti and/or their agents shall each have sole discretion to determine the eligibility of Qualifying Non-CREST Shareholders and may each in their sole discretion interpret instructions (including handwritten markings) on the Provisional Allotment Letter, and none of the Company, Equiniti or their agents shall be responsible for any loss or damage (whether actual or alleged) arising from any such exercise of discretion. All remittances will be sent by post, at the risk of the Qualifying Non-CREST Shareholder entitled thereto, to the registered address of the relevant Qualifying Non-

CREST Shareholder (or, in the case of joint holders, to the address of the joint holder whose name stands first in the register of Shareholders). No interest will be payable on any proceeds received from the sale of Nil Paid Rights under the Special Dealing Service.

The Company, Equiniti Financial Services Limited and/or their agents cannot offer financial, legal, tax or investment advice on the Special Dealing Service. The Special Dealing Service is an “execution only” service and not a recommendation to buy or sell the Nil Paid Rights. The Special Dealing Service Terms and Conditions apply to the Special Dealing Service. The value of Shares and any income from them can fluctuate and, when sold, investors may receive less than the original amount invested. Past performance is not a guide to future returns. The Special Dealing Service is provided by Financial Services Limited, which is authorised and regulated by the FCA.

4.11 Registration in names of Qualifying Shareholders

A Qualifying Shareholder who wishes to have all the New Shares to which he is entitled registered in his name must accept and make payment for such allotment in accordance with the provisions set out in this document and the Provisional Allotment Letter but need take no further action. A share certificate is expected to be sent to such Qualifying Shareholders on or around 12 October 2021.

4.12 Registration in names of persons other than Qualifying Shareholders originally entitled

In order to register Fully Paid Rights in certificated form in the name of someone other than the Qualifying Shareholders originally entitled, the renounee or his/her agent(s) must complete Form Y on the Provisional Allotment Letter (unless the renounee is a CREST member who wishes to hold such New Shares in uncertificated form, in which case Form X and the CREST Deposit Form must be completed (see paragraph 4.13 below) and deliver the entire Provisional Allotment Letter, when fully paid, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by not later than the latest time for registration of renunciations, which is expected to be 11:00 a.m. (London time) on 27 September 2021. Registration cannot be effected unless and until the New Shares comprised in a Provisional Allotment Letter are fully paid.

The New Shares comprised in several renounced Provisional Allotment Letters may be registered in the name of one holder (or joint holders) if Form Y on the Provisional Allotment Letter is completed on one Provisional Allotment Letter (the “**Principal Letter**”) and all the Provisional Allotment Letters are delivered in one batch. Details of each Provisional Allotment Letter, the number of New Shares represented by each Provisional Allotment Letter, the allotment number of the Provisional Allotment Letters to be consolidated and the total number of New Shares represented by the Provisional Allotment Letters to be consolidated should be listed in the covering letter accompanying the Provisional Allotment Letter and the allotment number of the Principal Letter should be entered in the space provided on each of the other Provisional Allotment Letters.

4.13 Deposit of Nil Paid Rights or Fully Paid Rights into CREST

The Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those Rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Subject as provided in this paragraph 4.13 or in the Provisional Allotment Letter, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures.

The procedure for depositing the Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter into CREST, whether such Rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear on page 1 of the Provisional Allotment Letter or in the name of a person or persons to whom the Provisional Allotment Letter has been renounced, is as follows: Form X and the CREST Deposit Form (both set out in the Provisional Allotment Letter) will need to be completed and the Provisional Allotment Letter must be deposited with the CREST Courier and Sorting Service (“**CCSS**”). In addition, the normal CREST stock deposit procedures will need to be carried out, except that: (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS; and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment

Letter may be deposited into CREST. If you wish to deposit only some of the Nil Paid Rights or Fully Paid Rights represented by the Provisional Allotment Letter into CREST, you must first apply for split Provisional Allotment Letters. If the Rights represented by more than one Provisional Allotment Letter are to be deposited, the CREST Deposit Form on each Provisional Allotment Letter must be completed and deposited. A consolidation listing form (as defined in the CREST Regulations) must not be used.

A holder of the Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter who is proposing to convert those Rights into uncertificated form (whether following a renunciation of such Rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the Nil Paid Rights or Fully Paid Rights in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. (London time) on 27 September 2021. **In particular, having regard to processing times in CREST and on the part of the Receiving Agent, the latest recommended time for depositing a renounced Provisional Allotment Letter (with Form X and the CREST Deposit Form in the Provisional Allotment Letter duly completed) with the CCSS (in order to enable the person acquiring the Nil Paid Rights or Fully Paid Rights in CREST as a result of the conversion to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. (London time) on 27 September 2021) is 3:00 p.m. (London time) on 22 September 2021.**

When Form Y and the CREST Deposit Form (both in the Provisional Allotment Letter) have been completed, title to the Nil Paid Rights or the Fully Paid Rights represented by the Provisional Allotment Letter will cease forthwith to be renounceable or transferable by delivery and for the avoidance of doubt any entries in Form X of the Provisional Allotment Letter will not be recognised or acted upon by the Receiving Agent. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the means of the CREST system once such Rights have been deposited into CREST.

CREST sponsored members should contact their CREST sponsor as only their CREST sponsor will be able to take the necessary action to take up the entitlement or otherwise to deal with the Nil Paid Rights or Fully Paid Rights of CREST sponsored members.

4.14 Issue of New Shares in definitive form

Share certificates in respect of the New Shares to be held in certificated form are expected to be despatched by post by 12 October 2021 at the risk of the person(s) entitled to them, to accepting Qualifying Non-CREST Shareholders and renounees or their agents or, in the case of joint holdings, to the first-named Shareholder at their registered address (unless a lodging agent's stamp or details appear in the relevant box of the Provisional Allotment Letter). After despatch of definitive share certificates, Provisional Allotment Letters will cease to be valid for any purpose whatsoever. Pending despatch of definitive share certificates, instruments of transfer of the New Shares will be certified by the Receiving Agent against the lodgement of fully paid Provisional Allotment Letters and/or, in the case of renunciations, against the Provisional Allotment Letters held by the Receiving Agent.

5. Action to be taken in relation to Nil Paid Rights or Fully Paid Rights in CREST

5.1 General

It is expected that each Qualifying CREST Shareholder, other than, subject to certain exceptions, Shareholders with a registered address, or resident in, any of the Excluded Territories, will receive a credit to his CREST stock account of his entitlement to Nil Paid Rights as soon as practicable after 8:00 a.m. (London time) on 13 September 2021. The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Nil Paid Rights are provisionally allotted. The Nil Paid Rights will constitute a separate security for the purposes of CREST and can accordingly be transferred, in whole or in part, by means of CREST in the same manner as any other security that is admitted to CREST.

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders or to enable the Nil Paid Rights by 11:00 a.m. (London time) on 13 September 2021, Provisional Allotment Letters shall, unless the Company determines otherwise, be sent out in substitution for the Nil Paid Rights which have not been so credited or enabled and the expected timetable as set out in this document may be adjusted as appropriate.

References to dates and times in this document should be read as subject to any such adjustment.

The Company will make an appropriate announcement to a Regulatory Information Service approved by the FCA giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

CREST members who wish to take up all or part of, or otherwise to transfer, all or part of their Nil Paid Rights and/or Fully Paid Rights held by them in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member, you should consult your CREST sponsor if you wish to take up your entitlement as only your CREST sponsor will be able to take the necessary action to take up your entitlements or otherwise to deal with your Nil Paid Rights or Fully Paid Rights.

The Nil Paid Rights constitute a separate security for the purposes of CREST and will be admitted to CREST and enabled for settlement. Applications in respect of Nil Paid Rights may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim. Transactions identified by the CREST Claims Processing Unit as “cum” the Rights Issue entitlement will generate an appropriate market claim transaction and the relevant Rights Issue entitlement(s) will thereafter be transferred accordingly.

5.2 Procedure for acceptance and payment

5.2.1 MTM instructions

CREST members subscribing for New Shares are required to ensure that the MTM instruction is supported by the completion of the Nationality Declaration Field.

CREST members who wish to take up all or part of their entitlement in respect of Nil Paid Rights in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an MTM 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 the number of Nil Paid Rights to be taken up;
- (b) the creation of a settlement bank payment obligation (as this term is defined in the CREST Manual), in accordance with the CREST RTGS payment mechanism (as this term is defined in the CREST Manual), in favour of the RTGS settlement bank (as this term is defined in the CREST Manual) of the Receiving Agent in pounds sterling, in respect of the full amount payable on acceptance in respect of the Nil Paid Rights referred to in paragraph (a) above; and
- (c) the crediting of a stock account of the accepting CREST member (being an account under the same participant ID and member account ID as the account from which the Nil Paid Rights are to be debited on settlement of the MTM instruction) of the corresponding number of Fully Paid Rights to which the CREST member is entitled on taking up his Nil Paid Rights referred to in paragraph (a) above.

5.2.2 Contents of MTM instructions

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

- the number of Nil Paid Rights to which the acceptance relates;
- the participant ID of the accepting CREST member;
- the member account ID of the accepting CREST member from which the Nil Paid Rights are to be debited;
- the country code in the Nationality Declaration Field of the accepting CREST member;
- the participant ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is 2RA73;

- the member account ID of the Receiving Agent, in its capacity as a CREST receiving agent. This is RA367301;
- the number of Fully Paid Rights that the CREST member is expecting to receive on settlement of the MTM instruction. This must be the same as the number of Nil Paid Rights to which the acceptance relates;
- the amount payable by means of the CREST assured payment arrangements on settlement of the MTM instruction. This must be the full amount payable on acceptance in respect of the number of Nil Paid Rights to which the acceptance relates;
- the intended settlement date (which must be on or before 11:00 a.m. (London time) on 27 September 2021);
- the Nil Paid Rights ISIN. This is GB00BMY5XK54;
- the Fully Paid Rights ISIN. This is GB00BMZ0FW54;
- the Corporate Action Number (as this term is defined in the CREST Manual) for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST;
- a priority of at least 80; and
- the contact name and telephone numbers in the shared notes field.

5.2.3 Valid acceptance

An MTM instruction complying with each of the requirements as to authentication and contents set out in paragraph 5.2.2 above will constitute a valid acceptance where either:

- the MTM instruction settles by not later than 11:00 a.m. (London time) on 27 September 2021; or
- at the discretion of the Company and the Joint Global Coordinators: (i) the MTM instruction is received by Euroclear by not later than 2:00 p.m. (London time) on 27 September 2021; and (ii) the number of Nil Paid Rights inserted in the MTM instruction is credited to the CREST stock member account of the accepting CREST member specified in the MTM instruction at 11:00 a.m. (London time) on 27 September 2021; and (iii) the relevant MTM instruction settles by 2:00 p.m. (London time) on 27 September 2021 (or such later time and/or date as the Company and the Joint Global Coordinators have determined). An MTM instruction will be treated as having been received by Euroclear for these purposes at the time at which the instruction is processed by the Network Provider's Communications Host (as this term is defined in the CREST Manual) at Euroclear of the network provider used by the CREST member (or by the CREST sponsored member's CREST sponsor). This will be conclusively determined by the input time stamp applied to the MTM instruction by the Network Provider's Communications Host.

5.2.4 Representations, warranties and undertakings of CREST members

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this paragraph 5.2 represents, warrants and undertakes to the Company that he has taken (or procured to be taken), and will take (or will procure to be taken), whatever action is required to be taken by him/her or by his CREST sponsor (as appropriate) to ensure that the MTM instruction concerned is capable of settlement at 11:00 a.m. (London time) on 27 September 2021 and remains capable of settlement at all times after that until 2:00 pm. (London time) on 27 September 2021 (or until such later time and/or date as the Company and the Joint Global Coordinators may determine). In particular, the CREST member or CREST sponsored member represents, warrants and undertakes that at 11:00 a.m. (London time) on 27 September 2021 and at all times thereafter until 2:00 p.m. (London time) on 27 September 2021 (or until such later time and date as the Company and the Underwriters may determine) there will be sufficient Headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account to be debited with the amount payable on acceptance to permit the MTM instruction to settle and that the declaration made in the Nationality Declaration Field is true, accurate and not misleading. CREST sponsored members should contact their CREST sponsor if they are in any doubt.

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with this paragraph 5.2 also makes the representations and warranties set out in paragraph 8.8.2 of this Part IX, except in the circumstances described in that paragraph.

If there is insufficient headroom within the Cap (as those terms are defined in the CREST Manual) in respect of the cash memorandum account of a CREST member or CREST sponsored member for such amount to be debited or the CREST member's or CREST sponsored member's acceptance is otherwise treated as invalid and New Shares have already been allotted to such CREST member or CREST sponsored member, the Company may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part IX in respect of the subscription of such shares) on behalf of such CREST member or CREST sponsored member. In these circumstances, neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by such CREST member or CREST sponsored member as a result.

By making a valid acceptance in accordance with the procedures set out in this paragraph 5.2, a Qualifying CREST Shareholder agrees and acknowledges that: (i) the Underwriters are acting exclusively for the Company and no one else in connection with the Rights Issue and the listing of the New Shares and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients for providing advice in connection with the Rights Issue, Admission or the contents of this document; and (ii) apart from the responsibilities and liabilities, if any, which may be imposed on any of the Underwriters by the FSMA, as applicable, none of the Underwriters has 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 any of them, the Company or any other person, or on behalf of them in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the New Shares or the Rights Issue. None of the Underwriters shall have any responsibility or liability whatsoever to such Qualifying Shareholder, whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

5.2.5 CREST procedures and timings

CREST members and CREST sponsors (on behalf of CREST sponsored members) 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 an MTM instruction and its settlement in connection with the Rights Issue. 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) the action necessary to ensure that a valid acceptance is received as stated above by 11:00 a.m. (London time) on 27 September 2021. In connection with this, CREST members and (where applicable) CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

5.2.6 CREST member's undertaking to pay

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this paragraph 5.2: (a) undertakes to pay to the Company or procure the payment to the Company of, the amount payable in pounds sterling on acceptance in accordance with the above procedures or in such other manner as the Company may require (it being acknowledged that, where payment is made by means of the RTGS payment mechanism, (as defined in the CREST Manual), the creation of a RTGS settlement bank (as defined in the CREST Manual) payment obligation in pounds sterling in favour of the Receiving Agent's RTGS settlement bank (as defined in the CREST Manual), in accordance with the RTGS payment mechanism shall, to the extent of the obligation so created, discharge in full the obligation of the CREST member (or CREST sponsored member) to pay to the Company the amount payable on acceptance); and (b) requests that the Fully Paid Rights and/or New Shares, to which they will become entitled, be issued to them on the terms set out in this document and subject to the Memorandum of Association and Articles. Qualifying CREST Shareholders agree that the Registrar will hold such moneys on trust for the Company.

If the payment obligations of the relevant CREST member in relation to such New Shares are not discharged in full and such New Shares have already been issued to the CREST member or CREST sponsored member, the Company may (in its absolute discretion as to the manner, timing and terms)

make arrangements for the sale of such shares on behalf of that CREST member or CREST sponsored member and hold the proceeds of sale (net of the Company's reasonable estimate of any loss it has suffered as a result of the same and of the expenses of the same including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by the CREST member or CREST sponsored member pursuant to the provisions of this Part IX in respect of the subscription of such shares) or an amount equal to the original payment of the CREST member or CREST sponsored member (whichever is lower) on trust for such CREST member or CREST sponsored member. In these circumstances, neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by any CREST member or CREST sponsored member as a result.

5.2.7 Discretion as to rejection and validity of acceptances

The Company may agree in its absolute sole discretion to:

- reject any acceptance constituted by an MTM instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 5.2. Where an acceptance is made as described in this paragraph 5.2 which is otherwise valid, and the MTM instruction concerned fails to settle by 2:00 p.m. (London time) on 27 September 2021 (or by such later time and/or date as the Company and the Joint Global Coordinators may determine), the Company and the Joint Global Coordinators shall be entitled to assume, for the purposes of their right to reject an acceptance as described in this paragraph 5.2, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 5.2;
- treat as valid (and binding on the CREST member or CREST sponsored member concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 5.2;
- accept an alternative properly authenticated arrangement instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid acceptance in substitution for, or in addition to, an MTM instruction and subject to such further terms and conditions as the Company and the Joint Global Coordinators may determine;
- treat a properly authenticated arrangement instruction (the “**first instruction**”) as not constituting a valid acceptance if, at the time at which the Receiving Agent receives a properly authenticated arrangement instruction giving details of the first instruction, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in CREST Regulation 35(5)(a) 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
- accept an alternative instruction or notification from a CREST member or (where applicable) a CREST sponsor, or extend the time for acceptance and/or settlement of an MTM instruction or any alternative instruction or notification if, 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 take up all or part of his Nil Paid Rights 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 of any part of CREST) or on the part of facilities and/or systems operated by the Receiving Agent in connection with CREST.

5.3 Money Laundering Regulations

If you hold your Nil Paid Rights in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a bank, a broker or another UK financial institution), then, irrespective of the value of the application, the Receiving Agent is required to take reasonable measures to establish the identity of the beneficial owner or ultimate controller of the person or persons on whose behalf you are making the application. Such Qualifying CREST Shareholders must therefore contact the Receiving Agent before sending any MTM instruction or other instruction so that appropriate measures may be taken. Submission of an MTM instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to provide promptly to the

Receiving Agent any information the Receiving Agent may specify as being required for the purposes of the verification of the identity requirements in the Money Laundering Regulations or the FSMA. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the MTM instruction. If satisfactory evidence of identity has not been provided within a reasonable time, the Receiving Agent will not permit the MTM instruction concerned to proceed to settlement without prejudice to the right of the Company to take proceedings to recover any loss suffered by it/them as a result of failure by the applicant to provide satisfactory evidence.

5.4 Dealings in Nil Paid Rights

Dealings in the Nil Paid Rights on the LSE are expected to commence at 8:00 a.m. (London time) on 13 September 2021. A transfer (in whole or part) of Nil Paid Rights can be made by means of CREST in the same manner as any other security that is admitted to CREST. The Nil Paid Rights are expected to be disabled in CREST after the close of CREST business on 27 September 2021.

5.5 Dealings in Fully Paid Rights

After acceptance of the provisional allotment and payment in full in accordance with the provisions set out in this document and (where appropriate) the Provisional Allotment Letter, the Fully Paid Rights may be transferred (in whole or in part) by means of CREST in the same manner as any other security that is admitted to CREST. The last date for settlement of any transfer of Fully Paid Rights in CREST is expected to be 11:00 a.m. (London time) on 27 September 2021. The Fully Paid Rights are expected to be disabled in CREST after the close of CREST business on 27 September 2021. After 27 September 2021, the New Shares will be registered in the name(s) of the person(s) entitled to them in the Company's register of members and will be transferable by means of CREST in the usual way.

5.6 Withdrawal of Nil Paid Rights or Fully Paid Rights from CREST

Nil Paid Rights or Fully Paid Rights held in CREST may be converted into certificated form, that is, withdrawn from CREST. Normal CREST procedures (including timings) apply in relation to any such conversion.

The recommended latest time for receipt by Euroclear of a properly authenticated dematerialised instruction requesting withdrawal of Nil Paid Rights or, if appropriate, Fully Paid Rights from CREST is 4:30 p.m. (London time) on 21 September 2021, so as to enable the person acquiring or (as appropriate) holding the Nil Paid Rights or, if appropriate, the Fully Paid Rights following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11:00 a.m. (London time) on 27 September 2021. You are recommended to refer to the CREST Manual for details of such procedures.

5.7 Issue of New Shares in CREST

Fully Paid Rights in CREST are expected to be disabled in CREST after the close of CREST business on 27 September (being the latest date for the settlement of Fully Paid Rights in CREST). New Shares (in definitive form) will be issued in uncertificated form to those persons registered as holding Fully Paid Rights in CREST at the close of business on the date on which the Fully Paid Rights are disabled. the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of those persons (under the same participant ID and member account ID that applied to the Fully Paid Rights held by those persons) with their entitlements to New Shares with effect from the next dealing day (expected to be 28 September 2021).

5.8 Right to allot/issue in certificated form

Despite any other provision of this document, the Company reserves the right to allot and to issue any Nil Paid Rights, Fully Paid Rights or New Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST (or of any part of CREST) or of a part of the facilities and/or systems operated by the Registrar in connection with CREST.

6. Procedure in respect of Rights not taken up and withdrawal rights

6.1 Procedure in respect of Rights not taken up

If an entitlement to New Shares (whether in whole or in part) is not validly taken up in accordance with the procedure laid down for acceptance and payment, then that provisional allotment (or that part of the provisional allotment not taken up, as the case may be) will be deemed to have been declined and will lapse. The Joint Global Coordinators shall use reasonable endeavours to procure, for the benefit of the non-taking Shareholders, by not later than 4:30 p.m. (London time) on the second dealing day after 27 September 2021, subscribers for all of those New Shares not taken up at a price per New Share which is at least equal to the total of the Issue Price and the expenses of procuring the relevant subscribers (including any applicable brokerage and other commissions and any amounts attributable to VAT and currency conversion costs).

Notwithstanding the above, the Joint Global Coordinators may cease to endeavour to procure any such subscribers if, in the reasonable opinion of the Joint Global Coordinators, it is unlikely that any such subscriber(s) can be so procured at such a price by such time. If and to the extent that subscribers for New Shares cannot be procured on the basis outlined above, the relevant New Shares will be subscribed for by the Underwriters at the Issue Price pursuant to the terms of the Underwriting Agreement.

Any premium obtained over the aggregate of the Issue Price and the expenses of procuring subscribers (including any applicable brokerage and other commissions and any amounts attributable to VAT and currency conversion costs) shall be paid (subject as provided in this paragraph 6):

- where the Nil Paid Rights were, at the time they lapsed, in certificated form on the Register, to the person whose name and address appeared on page 1 of the Provisional Allotment Letter relating to those Nil Paid Rights;
- where the Nil Paid Rights were, at the time they lapsed, in uncertificated form on the Register, to the person registered as the holder of those Nil Paid Rights at the time of their disablement in CREST;
- to the extent not provided above, where an entitlement to New Shares was not taken up by an Overseas Shareholder, to such Overseas Shareholder.

New Shares for which subscribers are procured on this basis will be re-allotted to such subscribers and the aggregate of any premiums (being the amount paid by such subscribers after deducting the Issue Price and the expenses of procuring such subscribers including any applicable brokerage and other commissions and any amounts attributable to VAT and currency conversion costs), if any, will be paid (without interest and after deducting currency conversion costs) to those persons entitled (as referred to above) pro rata to the relevant lapsed Nil Paid Rights, save that no payment will be made of amounts of less than £5.00, which amounts will be aggregated and ultimately paid to the Company. Payments will be made in pounds sterling where payable to Qualifying Shareholders. Cheques for the amounts due will be sent in pounds sterling, by post, at the risk of the entitled person(s), to their registered address(es) (the registered address of the first named in the case of joint holders), provided that where any entitlement concerned was held in CREST, the amount due will, unless the Company (in its absolute discretion) otherwise determines, be satisfied by the Company procuring the creation of an assured payment obligation in favour of the relevant CREST member's (or CREST sponsored member's) RTGS settlement bank (as defined in the CREST Manual) in respect of the cash amount concerned in accordance with the RTGS payment mechanism (as defined in the CREST Manual) or procuring that the relevant CSDP or broker's account is credited with the cash amount concerned.

Any transactions undertaken pursuant to this paragraph 6 shall be deemed to have been undertaken at the request of the persons entitled to the lapsed provisional allotments and none of the Company, the Underwriters nor any other person procuring subscribers shall be responsible for any loss or damage (whether actual or alleged) arising from the terms of or timing of any subscription, any decision not to endeavour to procure subscribers or the failure to procure subscribers on the basis described above. The Underwriters will be entitled to retain any brokerage fees, commissions, or other benefits received in connection with these arrangements.

Prospective investors are hereby notified that the sellers of the New Shares may be relying upon the exemption from the provisions of Section 5 of the US Securities Act provided by Rule 144A.

Pursuant to the protocol agreed with Equiniti, New Shares which are not taken up by Shareholders or other investors in the Rights Issue (“**Existing Investors**”) and which are instead sold or taken up by Underwriters or new investors pursuant to the procedure set out in this paragraph 6.1 (“**New Investors**”) shall be deemed to have been acquired simultaneously and at a point in time after the acquisition of New Shares by Existing Investors. As a result, New Shares acquired by New Investors shall, if acquired by non-EU Nationals, be deemed to be Affected Shares and subject to disenfranchisement in priority to New Shares acquired by Existing Investors. If it is necessary to deem any of the New Shares acquired by New Investors who are non-EU Nationals as Affected Shares the Directors have determined that such New Shares will be disenfranchised on a proportional basis, such that the same proportion of New Shares acquired by each New Investor who is a non-EU National shall be subject to disenfranchisement.

6.2 Representations and warranties in connection with any placing by the Underwriters of New Shares not taken up

In connection with any placing by the Underwriters of New Shares not taken up, any person within the United States that purchases any such New Shares must meet certain requirements and will be deemed to have represented, warranted, undertaken, agreed and acknowledged as follows:

- (i) it is, and at the time of any purchase of the New Shares, (a) a QIB and (b) aware that the sale to it is being made in reliance on Rule 144A or in reliance on another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
- (ii) any New Shares it acquires will be for its own account (or for the account of a QIB as to which it exercises sole investment discretion and has authority to make, and does make, the representations, warranties, undertakings, agreements and acknowledgments contained herein) for investment purposes, and not with a view to or for any distribution, sale or other transfer of the New Shares in any manner that would violate the US Securities Act or any other applicable laws;
- (iii) the New Shares have not been and will not be registered under the US Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States or with any securities regulatory authority of any state or other jurisdiction of the United States, other than in accordance with paragraph (iv) below;
- (iv) if in the future it or any other QIB for which it is acting or any other fiduciary or agent representing such investor decides to offer, sell, transfer, assign, pledge or otherwise dispose of any New Shares, it will do so only (a) to a QIB in a transaction meeting the requirements of Rule 144A, (b) outside the United States in an “offshore transaction” pursuant to Rule 904 under Regulation S (and not in a pre-arranged transaction resulting in the resale of such New Shares into the United States) or (c) otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and, in each case, in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction;
- (v) it is not acquiring the New Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the US Securities Act) or any directed selling efforts (as that term is defined in Regulation S) and that its purchase of the New Shares is not part of a plan or scheme to evade the registration requirements of the US Securities Act;
- (vi) it understands that the New Shares will be “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation can be made as to the availability of the exemption provided by Rule 144 under the US Securities Act for the resale of the New Shares. It agrees that for so long as the New Shares are “restricted securities” (as so defined), they may not be deposited into any American depositary receipt facility established or maintained by a depositary bank, including the Company’s Level 1 ADR program with Citibank N.A., other than a restricted depositary receipt facility, and that such New Shares will not settle or trade through the facilities of the Depository Trust Company, the New York Stock Exchange or any other US exchange or clearing system;
- (vii) it understands and acknowledges that the Company shall have no obligation to recognise any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Company may make notation on its records

or give instructions to any transfer agent of the New Shares in order to implement such restrictions; and

- (viii) it understands that the foregoing representations, warranties, undertakings, agreements and acknowledgements are required in connection with United States and other securities laws and that the Company, its affiliates, the Banks and their respective affiliates, and others are entitled to rely upon the truth and accuracy of and its compliance with the representations, warranties, undertakings, agreements and acknowledgements contained herein. It agrees that if any of the representations, warranties, undertakings, agreements and acknowledgements made herein are no longer accurate or have not been complied with, it will promptly notify the Company and the Banks.

6.3 Withdrawal rights

Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders or their renounees who have the right to withdraw their acceptances under Article 23(2) of the UK Prospectus Regulation after a supplementary prospectus (if any) has been published and who wish to exercise such right of withdrawal must deposit a written notice of withdrawal (which shall not include a notice sent by facsimile), which must include the full name and address of the person wishing to exercise such right of withdrawal and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, by post to the Receiving Agent, Equiniti Limited, at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or, after calling the UK Shareholder Helpline, in each case so as to be received before the end of the period of three Business Days beginning with the first Business Day after the date on which the supplementary prospectus (if any) was published. Notice of withdrawal of acceptance given by any other means or which is deposited with, or received by, the Registrar after the end of the period of three Business Days beginning with the first Business Day after the date on which the supplementary prospectus (if any) was published will be invalid.

If such right to withdraw would apply at any time after the last date for valid acceptance, such date shall be postponed to a new date announced by the Company being not earlier than three Business Days following publication of any supplementary prospectus.

Provisional allotments of entitlements to New Shares which are the subject of a valid withdrawal notice will be deemed to be declined and will therefore be subject to the provisions of this paragraph 6 as if the entitlement to New Shares had not validly been taken up. In such circumstances, to the extent that Shareholders have paid monies to the Company in respect of an acceptance which they wish to withdraw, the Company will remit such monies to Shareholders at their own risk and without interest, within 14 Business Days to the address set out in the Provisional Allotment Letter and/or the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment. Any interest earned on such monies will be retained for the benefit of the Company.

7. Taxation

Information on United Kingdom and United States taxation with regard to the Rights Issue is set out in Part XVI (*Taxation*) of this document, and is intended only as a general guide to the current tax position in the United Kingdom and the United States. If you are in any doubt as to your tax position, you should consult your own independent adviser immediately.

8. Overseas Shareholders

This document has been approved by the FCA, being the competent authority in the United Kingdom. A separate prospectus has been approved by the AMF in its capacity as competent authority in the European Economic Area in accordance with the Prospectus Regulation, and passported into the following countries within the European Economic Area: Germany, Italy and Spain. The making of the proposed offer of New Shares to persons resident in or who have a registered address in countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. Any Shareholder who is in any doubt as to his position should consult an appropriate professional adviser without delay.

8.1 General

The making or acceptance of the proposed offer of Nil Paid Rights, Fully Paid Rights and/or New Shares to persons who have registered addresses outside the United Kingdom, or who are located or resident in countries other than the United Kingdom, may be affected by the laws or regulatory requirements of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Rights. Any Shareholder who is in any doubt as to his position should consult an appropriate professional adviser without delay.

It is also the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside the United Kingdom wishing to take up Rights under the Rights Issue to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this paragraph 8 are intended as a general guide only and any Overseas Shareholder who is in doubt as to his position should consult his professional adviser without delay and take independent professional advice in relation thereto. Receipt of this document, a Provisional Allotment Letter, a CSN Form of Instruction or the crediting of Nil Paid Rights to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make or accept an offer and, in those circumstances, this document, the Provisional Allotment Letter and/or CSN Form of Instruction must be treated as sent (or made available) for information only and should not be copied or redistributed.

Save as set out in this paragraph 8 no action has been or will be taken in any jurisdiction (other than the United Kingdom) that would permit a public offer or distribution of the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction or possession or distribution of this document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the CSN Forms of Instruction may not be distributed, offered or sold, directly or indirectly, and this document may not be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. As set out in paragraph 8.2 below, unless otherwise expressly agreed with the Company, any person that subscribes for the New Shares or exercises the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters or the CSN Forms of Instruction that does not sign and deliver a QIB Investor Letter (as defined below) will be deemed to have represented and warranted that it is located outside the United States and is subscribing for the New Shares or purchasing or exercising the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters or the CSN Forms of Instruction in an offshore transaction in compliance with the provisions of Regulation S. Persons into whose possession this document comes (or who otherwise access this document) should inform themselves about and observe any restrictions on the distribution of this document and the offer or distribution of the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the CSN Forms of Instruction contained in this document. Unless otherwise expressly agreed with the Company, any person in the United States who obtains a copy of this document, a Provisional Allotment Letter or a CSN Form of Instruction and is not a QIB is required to disregard it. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to subscribe for, or a distribution of, any of the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the CSN Forms of Instruction to any person in any jurisdiction to whom it is unlawful to make or accept such offer, distribution or solicitation in such jurisdiction.

New Shares will be provisionally allotted (nil paid) to all Shareholders on the Register as at the Record Date (including, for the avoidance of doubt, any Overseas Shareholders). However, neither the Provisional Allotment Letters nor the CSN Forms of Instruction will be sent to Qualifying Shareholders with registered addresses, or who are resident or located, in any Excluded Territory and Nil Paid Rights, will not be credited to CREST accounts with registered addresses in any Excluded Territory, 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 in any Excluded Territory receiving or being given access to a copy of this document, a Provisional Allotment Letter or a CSN Form of Instruction and/or receiving a credit of Nil Paid Rights to a stock account in CREST may treat the same as constituting an invitation or offer to him/her nor should he in any event use the Provisional Allotment Letter or the CSN Form of Instruction or deal with Nil Paid Rights or Fully Paid Rights in CREST unless such an invitation or offer could lawfully be made to and accepted by him/her or the Provisional Allotment Letter or the Form of Instruction (as applicable) could lawfully be used or dealt with without contravention of any registration or other legal requirements. In such circumstances, this document, the Provisional Allotment Letter and the CSN Form of Instruction are to be treated as sent (or made available) for information only and should not be copied or redistributed.

Accordingly, persons (including, without limitation, custodians, nominees and trustees) receiving or being given access to a copy of this document and/or a Provisional Allotment Letter or a CSN Form of Instruction (as applicable) or whose stock account in CREST is credited with Nil Paid Rights or Fully Paid Rights or whose broker should not, in connection with the Rights Issue, distribute or send the same or transfer Nil Paid Rights or Fully Paid Rights in or into any jurisdiction where to do so would or might contravene local securities laws or regulations including, but not limited to, those of the Excluded Territories. If a Provisional Allotment Letter or a CSN Form of Instruction, or a credit of Nil Paid Rights or Fully Paid Rights is received by any person in any such territory, or by his agent or nominee, he must not seek to take up the Rights referred to in the Provisional Allotment Letter, the CSN Form of Instruction or in this document or renounce the Provisional Allotment Letter or the CSN Form of Instruction or transfer the Nil Paid Rights or Fully Paid Rights unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or a Provisional Allotment Letter or a CSN Form of Instruction or transfer Nil Paid Rights, Fully Paid Rights into any such territories (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 8.

The Company reserves the right to treat as invalid and will not be bound to allot or issue any New Shares in respect of any acceptance or purported acceptance of the offer of New Shares which:

- appears to the Company or its agents to have been executed, effected or despatched from any of the Excluded Territories; or
- in the case of a Provisional Allotment Letter or a CSN Form of Instruction, provides an address for delivery of the definitive share certificates in, or, in the case of a credit of New Shares in CREST, to a CREST member or CREST sponsored member or broker whose registered address is in any of the Excluded Territories or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such definitive share certificates or make such a credit or which does not make the warranty set out in the Provisional Allotment Letter or the CSN Form of Instruction to the effect that the person accepting and/or renouncing and/or otherwise disposing of the provisional allotment does not have a registered address and is not otherwise located in one of the Excluded Territories and is not acquiring the Nil Paid Rights, the Fully Paid Rights or the New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Shares in one of the Excluded Territories or where the Company believes acceptance of such Provisional Allotment Letter or CSN Form of Instruction may infringe applicable legal or regulatory requirements.

Subject to paragraphs 8.2 to 8.7 below, any person (including, without limitation, agents, nominees and trustees) outside the United Kingdom wishing to take up their Rights under the Rights Issue must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. **The comments set out in this paragraph 8 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.**

The attention of Overseas Shareholders resident or with registered addresses in any of the Excluded Territories is drawn to paragraphs 8.2 to 8.7 below. Entitlements to Nil Paid Rights to which Shareholders with registered addresses in any of the Excluded Territories would otherwise be entitled, will be aggregated with entitlements to Nil Paid Rights which have not been taken up by other Shareholders and, if possible, sold as described in paragraph 6 of this Part IX. The net proceeds of such sales (after deduction of expenses) will be paid to the relevant Shareholders pro-rated to their

holdings of Existing Shares at the Record Date as soon as practicable after receipt, except that (i) individual amounts of less than £5.00 at the date of payment per holding and (ii) fractional entitlements will be disregarded. None of the Company, the Underwriters or any other person shall be responsible or have any liability whatsoever for any loss or damage (actual or alleged) arising from the terms or the timing of the acquisition or the procuring of it or any failure to procure subscribers.

Despite any other provision of this document, the Provisional Allotment Letter or the CSN Form of Instruction, the Company reserves the right to permit any Shareholder to take up his Rights 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. These Shareholders who wish, and are permitted, to take up their entitlement, should note that payments must be made as described in paragraphs 4.4 and 5.2.6 of this Part IX.

Overseas Shareholders should note that all subscription monies must be in pounds sterling by cheque or banker's draft and should be drawn on a bank in the United Kingdom. For more information regarding payment details see paragraphs 4.4 and 5.2.6 of this Part IX.

8.2 United States

The Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction and the New Shares have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, 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. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters, the CSN Forms of Instruction or the New Shares in the United States.

Notwithstanding the foregoing, easyJet reserves the right to offer the Securities to a limited number of Qualifying Shareholders in the United States that are determined by easyJet to be eligible to participate in the Rights Issue, which may include QIBs, in offerings exempt from, or in transactions not subject to, the registration requirements under the US Securities Act.

A QIB will be permitted to subscribe for the New Shares via the Rights Issue only if the QIB (i) returns a duly completed and executed QIB investor letter (the "**QIB Investor Letter**") containing relevant representations and warranties, including that it and any account for which it is acting is a QIB, to and in accordance with the instructions of its custodian or nominee; and (ii) sends copies of such duly completed and executed QIB Investor Letter to the Company, the Registrar and the Banks. Any person in the United States who obtains a copy of this document or a Provisional Allotment Letter or a CSN Form of Instruction and is not a QIB is required to disregard it.

Accordingly, easyJet is not extending the offer under the Rights Issue into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, none of this document, the Provisional Allotment Letter and the CSN Form of Instruction constitutes or will constitute an offer or an invitation to apply for, or an offer or an invitation to subscribe for or acquire, any Nil Paid Rights, Fully Paid Rights or New Shares in the United States. Subject to certain exceptions, neither this document, a Provisional Allotment Letter nor a CSN Form of Instruction will be sent to any Qualifying Shareholder in, or with a registered address in, the United States. Subject to certain exceptions, Provisional Allotment Letters or renunciations thereof or CSN Forms of Instruction sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring New Shares and wishing to hold such Shares in registered form must provide an address for registration of the New Shares issued upon exercise thereof outside the United States.

Holders of ADRs, including QIBs, will not be permitted to participate in the Rights Issue. Instead, pursuant to the Deposit Agreement, the Depositary will determine whether it is lawful and reasonably practicable to sell the corresponding entitlement in the Rights Issue (including the Nil Paid Rights and the Fully Paid Rights) and, if it so determines that it is lawful and reasonably practicable, endeavour to sell them in a riskless principal capacity, at such place and upon such term (including private or public sale) as it may deem proper. The Depositary will, upon such sale, convert and distribute proceeds of such sale (net of applicable fees and charges of, and expenses incurred by, the Depositary and taxes). If the Depositary is unable to arrange for the sale of such rights upon the terms described above, the Depositary will allow for all remaining rights in the Rights Issue to lapse, and all

corresponding entitlements to New Shares will be treated as entitlements not taken up in accordance with the procedures set out in paragraph 6 of this Part IX (*Terms and Conditions of the Rights Issue*).

Subject to certain exceptions, any person who acquires or subscribes for Nil Paid Rights, Fully Paid Rights or New Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document, the Provisional Allotment Letter, the CSN Form of Instruction, taking up their entitlement or accepting delivery of the Nil Paid Rights, the Fully Paid Rights or the New Shares that it is not, and that at the time of acquiring the Nil Paid Rights, the Fully Paid Rights or the New Shares it will not be, in the United States or acting on behalf of a person on a non-discretionary basis in the United States or any state of the United States.

easyJet reserves the right to treat as invalid any Provisional Allotment Letter (or renunciation thereof) or any CSN Form of Instruction that appears to easyJet or its agents to have been executed in or dispatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Rights Issue, or which does not make the warranty set out in the Provisional Allotment Letter or the CSN Form of Instruction to the effect that the person accepting and/or renouncing the Provisional Allotment Letter or the CSN Form of Instruction (as applicable) or exercising the Nil Paid Rights does not have a registered address and is not otherwise located in the United States and is not acquiring the Nil Paid Rights, the Fully Paid Rights or the New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Shares in the United States or where easyJet believes acceptance of such Provisional Allotment Letter or CSN Form of Instruction may infringe applicable legal or regulatory requirements. easyJet will not be bound to allot (on a non-provisional basis) or issue any New Shares, Nil Paid Rights, Fully Paid Rights to any person with an address in, or who is otherwise located in, the United States in whose favour a Provisional Allotment Letter, a CSN Form of Instruction or any Nil Paid Rights, Fully Paid Rights or New Shares may be transferred or renounced. In addition, the Company and the Underwriters reserve the right to reject any MTM instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the Nil Paid Rights.

The Company will, during any period in which it is neither subject to and in compliance with Section 13 or 15(d) of the US Exchange Act nor exempt from such reporting requirements pursuant to and in compliance with Rule 12g3-2(b) thereunder, provide to each holder or beneficial owner of the New Shares and to each prospective purchaser (as designated by such holder) of New Shares, upon the request of such holder or prospective purchaser, the information required to be provided under Rule 144A(d)(4) under the US Securities Act.

In addition, until 40 days after the commencement of the Rights Issue, an offer, sale or transfer of the Securities within the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

None of the Nil Paid Rights, the Fully Paid Rights, the New Shares, the Provisional Allotment Letters, the CSN Forms of Instruction, this document or any other offering document relating to the Existing Shares or to the New Shares have been approved or disapproved by the United States Securities and Exchange Commission, any securities regulatory authority of any state of the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Fully Paid Rights, the Nil Paid Rights, New Shares or the Rights Issue or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

The provisions of paragraph 6 of this Part IX will apply to any Rights not taken up. Accordingly, subject to certain exceptions, Qualifying Shareholders with registered addresses in the United States will be treated as holders who are not participating in the Rights Issue, and the Underwriters will endeavour to sell the Rights relating to such holders' entitlements on such holders' behalf.

The Nil Paid Rights, the Fully Paid Rights and the New Shares may not be deposited, or caused to be deposited, in any unrestricted depositary receipt facility in the United States, including the Company's Level 1 ADR programme with Citibank N.A.

8.3 European Economic Area

In relation to each EEA State (each, a "**relevant member state**"), no New Shares, Nil Paid Rights, Fully Paid Rights have been offered or will be offered pursuant to the Rights Issue to the public in that

relevant member state prior to the publication of a prospectus in relation to the New Shares, Nil Paid Rights and Fully Paid Rights which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Regulation, except that offers of New Shares, Nil Paid Rights or Fully Paid Rights may be made to the public in that relevant member state:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the Underwriters for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of New Shares, Nil Paid Rights or Fully Paid Rights shall result in a requirement for the publication by the Company or any Bank of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in that relevant member state.

A separate prospectus has been approved by the AMF in its capacity as competent authority in the European Economic Area in accordance with the Prospectus Regulation, and passported into the following countries within the European Economic Area: Germany, Italy and Spain.

8.4 Excluded Territories

Due to restrictions under the securities laws of the Excluded Territories, no Provisional Allotment Letters or CSN Forms of Instruction will be sent to, and no Nil Paid Rights or Fully Paid Rights will be credited to a stock account in CREST of any Qualifying Shareholder with a registered address in any of the Excluded Territories and, if possible, subscribers will be procured in respect of the New Shares to which such Qualifying Shareholders were entitled in accordance with paragraph 6 of this Part IX. The Nil Paid Rights, the Fully Paid Rights, the New Shares, the Provisional Allotment Letters and the CSN Forms of Instruction also have not been and will not be registered under the securities laws of any Excluded Territory and may not be offered, sold, taken up, exercised, resold, pledged, renounced, transferred or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption, from and in compliance with (or in a transaction not subject to), any applicable securities laws. There will be no public offer of the Nil Paid Rights, the Fully Paid Rights or the New Shares in any of the Excluded Territories and no offer of New Shares is being made by virtue of this document, the Provisional Allotment Letters into the Excluded Territories.

8.5 Japan

The New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the CSN Forms of Instruction have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the “**FIEL**”). The New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and the CSN Forms of Instruction may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines in Japan. Therefore, subject to certain exceptions, the Rights Issue will not be made within Japan and Provisional Allotment Letters or CSN Forms of Instruction will not be sent to any Shareholder in or with a registered address in Japan, nor will any Nil Paid Rights be credited to a stock account in CREST on behalf of any Shareholder with a registered address in Japan. As used in this paragraph 8.5, the term “resident of Japan” means any natural person having his place of domicile or residence in Japan, or any corporation or other entity organised under the laws of Japan or having its main office in Japan.

8.6 Switzerland

The Company has not been approved by the Swiss Financial Market Supervisory Authority as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act (“**CISA**”) and no Swiss representative and Swiss paying agent has been or will be

appointed in Switzerland. The New Shares, Nil Paid Rights and Fully Paid Rights may not be publicly offered (as such term is defined in the Swiss Code of Obligations (“CO”)) in or into Switzerland and may only be distributed in, into or from Switzerland to regulated qualified investors within the meaning of Article 10(3)(a) and (b) CISA. The New Shares, Nil Paid Rights and Fully Paid Rights will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for prospectuses under the CISA, Article 652a or 1156 CO or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland and therefore does not constitute a prospectus within the meaning of the CISA, Article 652a or 1156 CO or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Company, the New Shares, the Nil Paid Rights or the Fully Paid Rights may be distributed to unregulated qualified investors or non-qualified investors within the meaning of the CISA in, into or from Switzerland or made available in Switzerland in any manner which would constitute a public offering within the meaning of the CO and all other applicable laws and regulations in Switzerland. Neither this document nor any other offering or marketing material relating to the Company, the New Shares, the Nil Paid Rights or the Fully Paid Rights have been or will be filed with, or approved by, any Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA does not extend to subscribers or acquirers of the New Shares, the Nil Paid Rights or the Fully Paid Rights.

8.7 Other Overseas Shareholders

Qualifying Shareholders who are located in other overseas territories should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Nil Paid Rights.

Any person in an Excluded Territory who obtains a copy of this document, a Provisional Allotment Letter or a CSN Form of Instruction is required to disregard them, except with the consent of the Company and the Underwriters.

Notwithstanding the foregoing, if a Qualifying Shareholder with a registered address in any of the Excluded Territories can demonstrate to the satisfaction of the Company and the Underwriters that receipt, and acceptance, of the offer in such jurisdiction will not breach applicable securities laws then the Company in its absolute discretion (in consultation with the Underwriters) may either arrange for such Qualifying Shareholder to be sent a Provisional Allotment Letter or a CSN Form of Instruction (as applicable) if he or she is a Qualifying Non-CREST Shareholder holding his or her Shares in certificated format, if he or she is a Qualifying CREST Shareholder who holds Shares in uncertificated form, arrange for Nil Paid Rights to be credited to the relevant CREST stock account.

8.8 Further representations and warranties

8.8.1 Qualifying Non-CREST Shareholders holding their shares in certificated form or within the Nominee Service

Any person accepting and/or renouncing a Provisional Allotment Letter or a CSN Form of Instruction (as applicable) or requesting registration of the New Shares comprised therein makes the representations and warranties set out below to the Company and the Underwriters, except where proof has been provided to the Company’s and the Underwriters’ satisfaction that such person’s use of the Provisional Allotment Letter or the CSN Form of Instruction (as applicable) will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction. Documentation for establishing such proof may be obtained from the Company or the Receiving Agent. In the absence of such proof, the representations and warranties referred to above are that: (a) such person is not located or resident in, and is not accepting and/or renouncing the Provisional Allotment Letter or the CSN Form of Instruction (as applicable) or requesting registration of the relevant New Shares, from within any of the Excluded Territories; (b) such person is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire or subscribe for New Shares or to use the Provisional Allotment Letter in any manner in which such person has used or will use it; (c) such person is not accepting, renouncing or requesting registration on a non-discretionary basis for a person located or resident in any of the Excluded Territories or any jurisdiction referred to in (b) above at the time the instruction to accept, renounce or request was given; and (d) such person is not acquiring New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Shares into any of the Excluded Territories or any jurisdiction referred to in (b) above. The Company, in

consultation with the Underwriters, may treat as invalid any acceptance or purported acceptance of the allotment of New Shares comprised in, or renunciation or purported renunciation of, a Provisional Allotment Letter or a CSN Form of Instruction (as applicable) if it (a) appears to the Company to have been executed in or despatched from any of the Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement in any jurisdiction; (b) provides an address in any of the Excluded Territories for delivery of definitive share certificates for New Shares (or any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such certificates); or (c) purports to exclude any of the representations and warranties required by this paragraph 8.8.

8.8.2 Qualifying CREST Shareholders holding Shares in uncertificated form

A CREST member or a CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in paragraph 5 of this Part IX makes the representations and warranties set out below to the Company and the Underwriters, except where proof has been provided to the Company's and the Underwriters' satisfaction that such person's acceptance will not result in the contravention of any applicable regulatory or legal requirement in any jurisdiction. Documentation for establishing such proof may be obtained from the Company or the Receiving Agent. In the absence of such proof, the representations and warranties referred to above are that: such person (a) is not located within or resident in any of the Excluded Territories; (b) is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire or subscribe for Nil Paid Rights, Fully Paid Rights or New Shares; (c) is not accepting on a nondiscretionary basis for a person located within or resident in any of the Excluded Territories or any jurisdiction referred to in (b) above at the time the instruction to accept was given; and (d) is not acquiring Nil Paid Rights, Fully Paid Rights or New Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Nil Paid Rights, Fully Paid Rights or New Shares into any of the Excluded Territories or any jurisdiction referred to in (b) above. The Company, in consultation with the Underwriters, may treat as invalid any MTM instruction if it: (a) appears to the Company to have been despatched from any of the Excluded Territories or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if it believes the same may violate any applicable legal or regulatory requirement in any jurisdiction; or (b) purports to exclude any of the representations and warranties required by this paragraph 8.8.

For the purposes of this paragraph 8.8, any natural person having his place of domicile or residence in Japan, or any corporation or other entity organised under the laws of Japan or having its main office in Japan, would be resident in Japan.

8.9 Waiver

The provisions of this paragraph 8 and of any other terms of the Rights Issue relating to Qualifying Shareholders with registered addresses in, or who are located in, any of the Excluded Territories may be waived, varied or modified as regards specific Qualifying Shareholder(s) or on a general basis by the Company in its absolute discretion. Subject to this, the provisions of this paragraph 8 which refer to Qualifying Shareholders shall include references to the person or persons executing a Provisional Allotment Letter or CSN Form of Instruction (as applicable) and, in the event of more than one person executing a Provisional Allotment Letter or a CSN Form of Instruction (as applicable), the provisions of this paragraph 8 shall apply jointly to each of them.

9. Times and dates

The Company shall, at its discretion and after consultation with its financial and legal advisers, be entitled to amend the dates that Provisional Allotment Letters and CSN Forms of Instruction are despatched or dealings in Nil Paid Rights commence and amend or extend the latest date for acceptance under the Rights Issue and all related dates set out in this document and in such circumstances shall announce such amendment via a RIS and notify the FCA and, if appropriate, Shareholders.

10. Governing law

The terms and conditions of the Rights Issue as set out in this document and, where appropriate, the Provisional Allotment Letter and the CSN Form of Instruction and any non-contractual obligation relating thereto shall be governed by, and construed in accordance with, the laws of England and Wales. The New Shares will be created pursuant to the Articles and under the Companies Act 2006.

11. Jurisdiction

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 Rights Issue, this document, and/or, where appropriate, the Provisional Allotment Letter and/or the CSN Form of Instruction (including, without limitation, disputes arising relating to any non-contractual obligations arising out of or in connection with the Rights Issue, this document, the Provisional Allotment Letter and/or the CSN Form of Instruction). By accepting rights under the Rights Issue in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders (but no other Qualifying Shareholders), the Provisional Allotment Letter or the CSN Form of Instruction (as applicable), 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 X

BUSINESS OVERVIEW OF THE GROUP

1. Overview

The Group is a leading low-cost airline carrier in Europe, focusing on short-haul flights. It is a public limited company whose shares are listed on the LSE, trading commercially as “easyJet”. As at 31 March 2021, the Group operated 916 routes with over 330 aircraft, from 154 departure airports, in 35 countries from 30 bases. As at 31 March 2021, the Group had more than 13,000 employees, including over 4,000 pilots and 7,000 cabin crew members.

The Group’s strategy leverages a strong network, key market positions, an efficient low-cost model and a well-known brand. By focusing primarily on western and northern Europe, the Group benefits from a potential customer base that has a high level of disposable income. The Directors believe the Group has significant structural advantages in comparison to legacy carriers, allowing the Group to offer customers fares which provide greater value for money. This is achieved through certain strategic initiatives, including its end-to-end holiday offering, its valuable portfolio of slots at primary airports and investments in new fuel efficient aircraft. The Directors believe the Group benefits from a flexible business model, which allowed the Group to react quickly to the COVID-19 pandemic.

The Group is an industry leader in sustainability, being the world’s first major airline to offset the carbon emissions from the fuel from all flights across its network. The Group seeks to minimise carbon across its operations and supports the development of new technologies in this area.

The Group’s business has been significantly affected by government restrictions on air travel during the COVID-19 pandemic, with border closures, quarantine requirements and the cost of testing depressing the level of customer demand in the Group’s key markets. However, as restrictions have eased, the Group has seen an increase in demand demonstrating a strong desire among its customers to travel despite the COVID-19 pandemic.

The Group’s entire fleet was grounded for commercial operations from 31 March 2020 until 15 June 2020 and subsequently the fleet was utilised on a reduced average basis continually into the financial year ending 30 September 2021. The total number of passengers carried by the Group decreased by 89.4% to 4.1 million in the six months to 31 March 2021 (compared to 38.6 million in the six months to 31 March 2020) in line with a reduction in seat capacity to 6.4 million seats, representing 15.0% of H1 2020 capacity levels. In the year ended 30 September 2020, the Group generated total revenue of £3,009 million (a decrease of 52.9% from £6,385 million in the year ended 30 September 2019), as capacity was severely reduced by 47.5% to 55.1 million seats as a result of the COVID-19 pandemic (a decrease from 105 million seats in the year ended 30 September 2019). The Group suffered a headline loss before tax of £835 million from continuing operations before exceptional items (versus a headline profit before tax of £427 million in the year ended 30 September 2019). As at 30 September 2020, the Group’s funding position remained robust with unrestricted cash of £2,316 million (an increase of 47% from £1,576 million in the year ended 30 September 2019) and net debt of £1,125 million.

In the six months ended 31 March 2021, the Group generated total revenue of £240 million (a decrease of 89.9% from £2,382 million for the same period in 2020), with a headline loss before tax of £701 million (as compared to a headline loss before tax of £193 million for the same period in 2020). As at 31 March 2021, the Group had unrestricted access to £2,929 million of total liquidity, comprising of cash and cash equivalents, money market deposits and undrawn credit facilities.

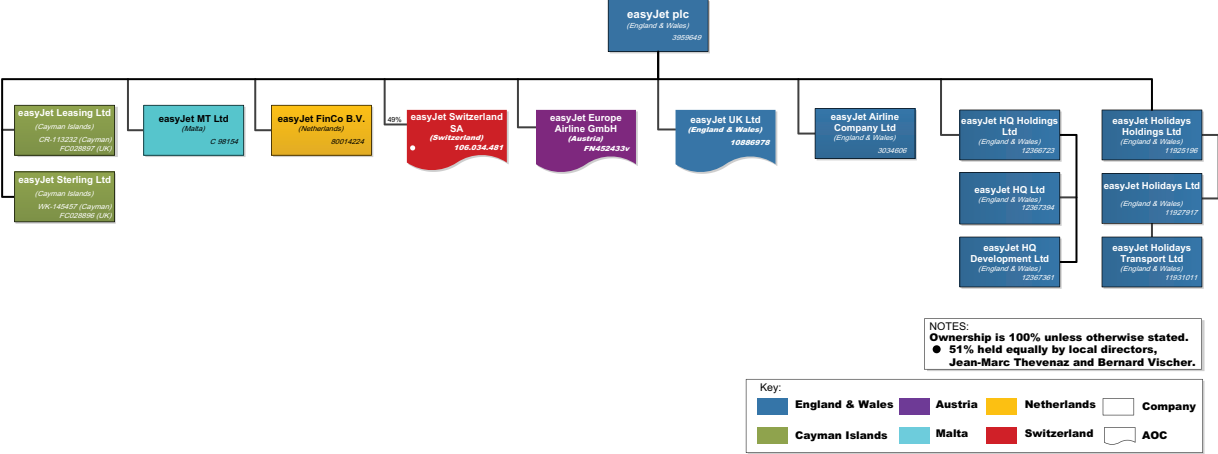
2. History and development of the Group

The Company began its operations in 1995, originally operating flights out of London Luton airport to Glasgow and Edinburgh. The Group began expanding into Europe with the delivery of its first wholly owned aircraft and its first international flights from Luton to Amsterdam, Nice and Barcelona in April 1996. On 24 March 2000, the Company was formally incorporated and registered in England and Wales as easyJet Limited. On 16 October 2000, the Company re-registered as a public limited company, and listed its shares on the LSE on 22 November 2000, becoming a constituent of the FTSE 250 Index shortly thereafter.

The Company continued to expand through several acquisitions, acquiring the UK-based airlines Go-Fly in 2002 and GB Airways in 2007. Since 2010, the Company has continued to expand despite

uncertainty stemming from the United Kingdom leaving the European Union and more recently from the COVID-19 pandemic. During this time the Company has acquired assets from AirBerlin in 2017, and regularly expanded its landing slots at key locations including the acquisition of landing slots from Thomas Cook’s administrators for Gatwick Airport and Bristol Airport for £36 million in 2019, as well as expanding into new markets including domestic leisure locations across Egypt and Spain (among others) in anticipation of the summer period for 2021.

The following chart summarises the Group’s structure as at the date of this Prospectus:



* The Company has a 49% interest in easyJet Switzerland SA with an option to acquire the remaining 51%. easyJet Switzerland SA is consolidated as a subsidiary on the basis that the Company exercises a dominant influence over the undertaking. Holders of the remaining 51% of the shares in easyJet Switzerland SA have no entitlement to any dividends from that holding and the Company has an option to acquire those shares for a predetermined minimal consideration. All other subsidiaries shown in the above chart are wholly owned by the Company.

3. Business overview

The Group’s principal operations are conducted through easyJet Airline Company Limited (“**EACL**”) as the main operating entity, based in the United Kingdom, and three subsidiaries with Air Operator Certificates (“**AOCs**”), based in the United Kingdom, Austria and Switzerland: easyJet UK Limited, easyJet Europe Airline GmbH and easyJet Switzerland SA, respectively. The Group’s operations are supported by services provided by EACL, allowing the Group’s operations to benefit from cost reductions and synergies by leveraging the Group’s expertise and scale.

3.1 Airline operations

The principal operating subsidiary of the Company is EACL, which manages the leasing of aircraft to easyJet UK Limited, easyJet Europe Airline GmbH and easyJet Switzerland SA to enable them to operate. EACL has a services agreement with each of easyJet UK Limited, easyJet Europe Airline GmbH and easyJet Switzerland SA, pursuant to which it provides various services.

3.2 Network

As at 31 March 2021, the Group operated 918 routes serving 151 airports. The Group is focused on building a strong network position, as measured by market share, and has developed a network across Europe which it believes cannot easily be replicated by any competitor.

The Group maintains a valuable portfolio of slots at predominantly primary airports. The Group has established itself in catchment areas that represent a number of Europe’s top markets by GDP, focusing on both leisure and business travel. The Group regularly reviews its route network seeking to maximise returns and exploit demand opportunities in the market and has recently set up a cross-functional commercial action group to react quickly and efficiently to the rapidly changing environment caused by the COVID-19 pandemic. For example, the Group has opened an additional seasonal base in Faro and three new UK airports to capture increased demand in the domestic market.

3.3 Sales and distribution

The Group sells seats via its own website www.easyjet.com and its “easyJet Worldwide” platform, its mobile application, call centres, global distribution systems (“**GDSs**”) and application programme interfaces (“**APIs**”). GDSs and APIs are platforms that allow third parties, such as Amadeus, Sabre, and Travelport (among others), direct access to the Group’s bookings systems and are predominantly used for business customers. The Group has a bespoke proprietary revenue management system (“**RMS**”) which is demand-based and designed to maximise revenue. The continuous dynamic price-setting of the RMS is designed to optimise yield, as well as allowing for yield management of allocated seating and bags. The RMS assigns sales profile curves to each individual flight and assists with conversion of website traffic into bookings for the Group. Since the COVID-19 pandemic, the Group has also built a new model to forecast how each route is expected to perform. The model estimates potential passengers and revenue based on the Group’s internal data.

The Group seeks to drive innovation through its digital strategy, for example taking predictive data analysis into the Group’s schedule design to manage disruption, as well as by testing and analysing the booking process. The Group has also updated the onboard EPOS system, in part by providing iPads to the Group’s crew to improve on-time performance, reduce disruption, improve customer service and reduce paper. The Group’s app was voted the “best airline app” at the World Aviation Festival 2019. The Group’s digital strategy is intended to enable it to review extensive current and historic data with respect to its customers’ travel and purchase habits and experiences in order to provide personalised and tailored communications to its customers.

The Group’s customer loyalty scheme, Flight Club, continues to offer high-frequency, loyal passengers a range of benefits such as free name changes on tickets, free booking changes and price guarantees, rather than the traditional earnings based programme used by most other carriers. Alongside Flight Club, easyJet Plus, the Group’s paid membership programme, allows customers to access additional privileges for an annual fee.

3.4 easyJet Holidays

easyJet Holidays was launched on 28 November 2019 to offer package holidays, bundling a easyJet flight with hotel accommodation and other features, and is supported by a new website and mobile app in order to offer a streamlined search and booking process. Although, easyJet Holidays previously operated solely on a commission model, it now acts a principal and earns revenue on the total value of the package holidays sold, and recognises related hotel, flight and transfer costs reported as operating costs. easyJet Holidays also continues to sell hotel room bookings through its partner Booking.com and earns a commission on these sales.

3.5 Other revenue streams

The Group has ancillary revenue from a range of other related products, such as the ability to choose allocated seating for an additional fee, new initiatives in the Group’s baggage strategy, and inflight and other revenue such as the sale of inflight food and beverages.

The introduction of the Standard Fare Plus fare class has made it easier for customers to buy a package which includes up front seat selection, access to “easyJet Plus Bag Drop”, “Speedy Boarding”, one cabin bag and an additional under seat cabin bag in one easy step on its website.

The Group has also updated its cabin bag policy, allowing customers to bring a large overhead cabin bag on board to be bundled with Up front and Extra legroom seating. The seating and bag packages are actively yield managed and dynamically priced from £7.99 per bag per flight.

In the year ended 30 September 2019, the last financial period which was not impacted by the COVID-19 pandemic, the Group generated £1,376 million in revenue from such ancillary activities. In the year ended 30 September 2020, the Group’s ancillary revenue performance was £706 million, a decrease of 48.7% compared to the prior year.

3.6 Branding

The Group places great importance on its brand. The Group licences the “easyJet” brand under the terms of the Amended Brand Licence entered into with easyGroup Ltd, a wholly owned subsidiary of easyGroup Holdings Limited, an entity in which the Group’s founder, Sir Stelios Haji-loannou, holds a beneficial interest.

The Amended Brand Licence provides the Group with worldwide rights to use the brand on a basis which is intended to protect the Group's current commercial activities. Under the terms of the Amended Brand Licence, the Group is granted rights to use the brand for business activities, including commercial passenger air travel in commercial planes and ancillary services, such as car hire, hotel and provision of package holidays through easyJet Holidays, as well as other activities. For further details on the Amended Brand Licence, please see paragraph 14.7 of Part XVII (*Additional Information*) of this document.

3.7 Fuel

The Group has jet fuel supply contracts in place at its network bases and other locations. The table below sets out the Group's total fuel costs as at 31 March 2021:

	As at 31 March 2021		As at 30 September 2020		As at 30 September 2019	
	Group £ million	Airline £ per seat	Group £ million	Airline £ per seat	Group £ million	Airline £ per seat
Fuel	97	15.08	721*	13.09	1,416	13.48
Fuel costs as percentage of headline operating costs . . .	10.4%	10.4%	19.1%	29%	23.9%	35%

* Figure includes a £33 million gain related to carbon cost re-measurement.

3.8 Hedging

The Group has hedging policies and practices to manage price fluctuations and exchange rate risk for jet fuel costs, which are internationally priced in US dollars in order to hedge its exposures to fluctuations in jet fuel prices and foreign exchange rate to reduce short-term cash flow volatility. Before the COVID-19 pandemic, the Group was 71% hedged for the financial year ending on 30 September 2020 at US\$654 per metric tonne and, was hedged at 51% for the financial year ending on 30 September 2021 at US\$638 per metric tonne. See "*—The Group is affected by volatility in jet fuel prices and it may also suffer losses as a result of a failure in its hedging strategy*" of Part II (*Risk Factors*) of this document.

As a result of the grounding of the fleet on 31 March 2020 and lower than expected capacity for several months thereafter, the Group became significantly over-hedged from both a fuel and foreign currency perspective resulting in hedge discontinuation and ineffectiveness. This resulted in the Group experiencing a loss of £29 million attributable to hedge discontinuation in the six months ended 31 March 2021, partially offset by a gain of £12 million from the subsequent fair value movement of these trades. In addition, to mitigate the effects of over-hedging, the Group ceased placing new fuel hedges for the operating period between April 2020 to October 2021.

As at 30 September 2020, the Group anticipated that fuel requirement for the 2021 financial year would be 77% hedged for the financial year ending on 30 September 2021 at US\$605 per metric tonne and 44% hedged for the financial year ending on 30 September 2022 at US\$490 per metric tonne.

3.9 Fleet

3.9.1 Fleet Overview

As at 30 June 2021, the Group had a fleet of 323 Airbus aircraft with an average age of 8.4 years with an average gauge of 178 seats per aircraft. 57% of the fleet is owned by the Group, with the remainder owned by operating lessors.

Due to the Group's capacity reductions in response to the COVID-19 pandemic and the associated government travel restrictions and advisories, the Group's entire fleet was grounded for commercial operations from 31 March 2020 to 15 June 2020. As at 30 June 2021, the Group had 13 aircraft that were stored and leased at a zero rent unless operated and 15 aircraft that were held in parked positions awaiting their return to lessors. No aircraft were grounded, but instead operated at reduced levels to maintain serviceability. During this period of reduced utilisation, the Group has focused on prioritising the storage and parking of older Airbus A320ceo (Current Engine Option) family aircraft, with the result that a higher proportion of the active aircraft in this period have been the more fuel efficient Airbus A320neo (New Engine Option) family aircraft.

As at 30 June 2021, the composition of the Group's fleet was as follows:

Aircraft Type	Owned	Leased ⁽¹⁾	Total as at 30 June 2021	% of total fleet	Changes since 30 Sept 2020	Future deliveries ⁽²⁾	Purchase options	Unexercised purchase rights ⁽³⁾
A319	45	61	106	32.8%	(16)	—	—	—
A320ceo	105	61	166	51.4%	(3)	—	—	—
A320neo	30	7	37	11.5%	—	85	20	58
A321neo	3	11	14	4.3%	—	16	—	—
Group total	183	140	323	100%	(19)	101	20	58
<i>% of total fleet</i>	56.7%	43.3%						

(1) All operating leases.

(2) Future committed deliveries as at 30 June 2021 through to 2027.

(3) Purchase rights may be taken on any A320 family aircraft.

Aircraft acquisitions

The Group continues to focus on the modernisation and harmonisation of its fleet. In 2017, the Group received its first delivery of new generation Airbus A320neo aircraft under the terms of the Airbus Purchase Agreement, with the first larger new generation Airbus A321neo delivered in 2018. These new generation aircraft currently make up over 15% of the Group's overall fleet. All future aircraft deliveries from the Group's order book will be the newer, more efficient A320neo and A321neo aircraft.

In light of the impact of the COVID-19 pandemic, the Group agreed further amendments to the Airbus Purchase Agreement between April 2020 and December 2020, which will result in the Company taking no deliveries in the financial year ending 30 September 2021, eight deliveries in an amended delivery schedule of the year ending 30 September 2022, seven deliveries in the financial year ending 30 September 2023 and eighteen deliveries in the financial year ending 30 September 2024, with no change to the total number of firm Airbus 320neo family aircraft outstanding orders. The changes also result in a re-phasing of the pre-delivery payment cash flows of the order book due to the later dates of delivery. For further details on the Airbus Purchase Agreement, see paragraph 14.6 of Part XVII (*Additional Information*) of this document.

The Group selected CFM as the preferred supplier for the delivery of engines to be installed to aircraft delivered as part of the Airbus Purchase Agreement. For further details on the CFM Agreement, please see paragraph 14.6 of Part XVII (*Additional Information*) of this document.

The table below sets out the Group's fleet flexibility as at 31 March 2021:

	For the year ended 30 September			
	2021 ⁽¹⁾	2022	2023	2024
Current contractual minimum fleet size	307	287	282	291
Current contractual maximum fleet size	310 ⁽²⁾	327	355	342
Expected deliveries	0	8	7	18

(1) Variance between 307 and 310 aircraft for financial year ending on 30 September 2021 is due to 3 leased aircraft which are due to be redelivered to lessors close to the end of the 2021 financial year.

(2) Throughout the financial year ending on 30 September 2021, the Group will be storing an additional 12 operating leases on behalf of its respective lessors. These are held at zero rent and excluded from the 302 figure.

3.9.2 Aircraft financing

The Group monitors the number of aircraft in its fleet that are owned or leased and approving sale and leaseback transactions where appropriate to manage residual value risk and maintain flexibility.

The Group's operating leases include leases in respect of aircraft which bear interest at both fixed and floating rates. As at 31 March 2021, the Group had borrowings of £3,323 million (an increase of 152% from £1,319 million for the same period in 2020), and lease liabilities of £1,027 million (an increase of 91.6% from £536 million for the same period in 2020).

The Group also regularly executes sale and leaseback transactions of aircraft. In order to maximise liquidity in response to the COVID-19 pandemic, as at 30 September 2020, the Group had completed the sale and leaseback of 23 aircraft, which generated net proceeds of £702 million. Between 30 September and 31 March 2021, the Group has completed a further 35 sale and leaseback transactions, raising a further £810 million in net proceeds and adding approximately £90 million to per annum headline costs.

4. Principal markets

The Group operates in the short-haul passenger market across Europe and certain parts of the Middle East and Africa (“EMEA”), focusing on both leisure and business travel and providing ancillary services such as holiday packages.

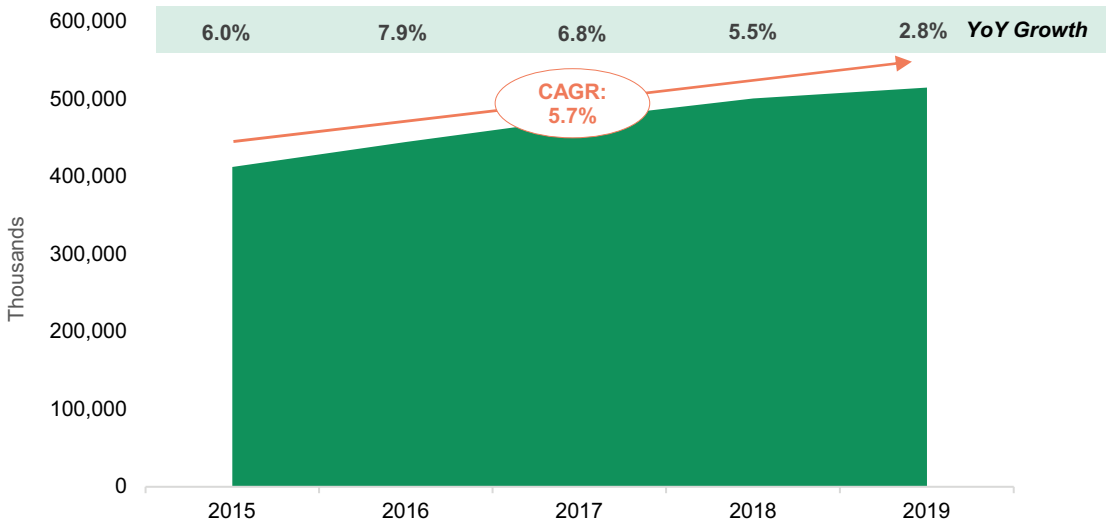
4.1 Pre-COVID-19 Market Overview

Global demand for air passenger services based on revenue passenger kilometres (“RPKs”) has followed a near-exponential growth trend since the 1950s, with previous crises for the airline industry such as 9-11 and the global financial crisis only briefly curtailing growth. Demand increased between 2015 and 2018, although RPK growth fell in 2019 as a result of a softer global economic backdrop and international tensions.

Increasing city pair connections offered by airlines and declining cost of air travel, observed over the past two decades, have favoured growth in number of air passengers.

Based on Eurostat data, RPKs in Europe followed a positive trend over the four years prior to the COVID-19 pandemic, with passenger numbers showing a 5.7% compound annual growth rate (“CAGR”) over the 2015—2019 period.

Exhibit 1: Passengers carried intra EU 27



Source: Eurostat

4.2 Impact of COVID-19 Pandemic

COVID-19 had an unprecedented impact on air travel globally.

The global airline fleet was almost entirely grounded by the end of March 2020. In April 2020, global passenger traffic significantly decreased year-on-year and traffic in the European Organization for the Safety of Air Navigation (EUROCONTROL) area¹ declined significantly year-on-year.

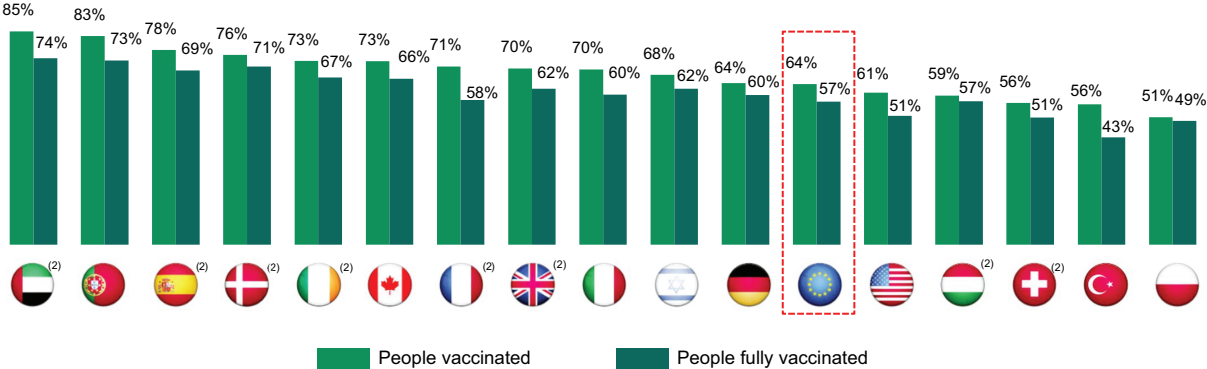
By the end of Q2 2020, the traffic started to recover progressively within Europe, driven by the end of the first series of lockdowns and increased demand for leisure destinations.

¹ Including Belgium, France, Germany, Luxembourg, Netherlands, United Kingdom, Ireland, Portugal, Greece, Malta, Turkey, Cyprus, Hungary, Switzerland, Austria, Denmark, Norway, Slovenia, Sweden, Czech Republic, Romania, Italy, Slovakia, Spain, Monaco, Bulgaria, Croatia, North Macedonia, Moldova, Finland, Albania, Ukraine, Poland, Bosnia and Herzegovina, Serbia, Lithuania, Armenia, Montenegro, Latvia, Georgia and Estonia.

Following the rise of the COVID-19 incidence and the subsequent travel restrictions across Europe, traffic dropped again in the final quarter of 2020.

The intra-European airlines market remains fragmented, however as at 11 August 2021, easyJet was the second largest intra-European airline by daily number of flights.

Exhibit 2: People vaccinated against COVID-19 by country (% of population)



Source: Our World in Data

(1) As of 27 August 2021 unless otherwise stated; (2) As of 26 August 2021

As of 1 July 2021, the European Union has made available its COVID-19 passport for all European Union citizens and residents, as well as for specific categories of travellers from third countries to allow freedom of travel across Europe. However, a recovery in air travel across Europe is also reliant on the success of the ongoing vaccination programme.

4.3 Airline business models

The five main categories of passenger airlines are: low-cost carriers, ultra-low-cost carriers, full-service network carriers, regional carriers and charter airlines/tour operators.

Low-cost carriers tend to compete in the segment of the market that is the most price sensitive. By focusing on removing the complexity associated with full-service network models, for example by operating a point-to-point network with a standardised fleet, they are able to reduce their cost of production which in turn results in lower ticket prices relative to full-service carriers. These business models have tended to operate in short-haul markets, mostly in Europe and Asia Pacific.

Ultra low-cost carriers are driven predominantly by cost. These carriers prioritise offering the lowest possible unit cost in the market at the expense of the customer experience. Ultra low-cost carriers also have a greater number of add-on fees than competitors.

Full-service network carriers are generally located in primary airports, from which they operate a hub and spoke network model. These carriers tend to have greater complexity in their business models, which is partially offset through higher yields generated by the products and services that are part of that business model. Full-service carriers account for the majority of available seat kilometres (ASKs) in the worldwide airline industry.

Regional carriers operate smaller-capacity fleets, and tend to focus on providing passenger air service to in country areas without sufficient demand to attract the mainline services.

Charter airlines/tour operators operate mostly unscheduled flights, which are primarily leisure based. These airlines are part of a larger group of travel providers with a significant fixed cost base.

4.4 The Group’s Principal Markets and Positioning

The Group operates across key European markets and adjacent markets in the Middle East and parts of North Africa, offering a balanced network portfolio of domestic, city and leisure destinations. Its core markets are the United Kingdom, France, Switzerland, the Netherlands, Italy and Germany.

The main competition in the Group’s core markets is comprised of Air France-KLM, IAG, Lufthansa and Ryanair. The Group also competes with smaller players locally outside of its core markets.

In the United Kingdom, the Group flew approximately 32.1 million seats in the year ended 30 September 2019 and was number two in the market in terms of number of seats flown. Its closest competitors, ranked in order of number of seats flown, were IAG and Ryanair. The Group was the number two airline in the London market in terms of number of seats flown in the year ended 30 September 2019. The Group's positioning in London gives it a lead position in one of the most constrained and largest markets in the world.

In France, the Group flew approximately 14.7 million seats in the year ended 30 September 2019 and was number two in the market in terms of number of seats flown. Its closest competitors, ranked in order of number of seats flown, were Air France-KLM, IAG and Ryanair. The Group was the number two airline in the Paris market in the year ended 30 September 2019 in terms of number of seats flown behind Air France-KLM, and the number one airline in the Nice market.

In Germany, the Group flew approximately 10.2 million seats in the year ended 30 September 2019 and was number three in the market in terms of number of seats flown. Its closest competitors, ranked in order of number of seats flown, were Lufthansa Group and Ryanair. The Group was the number one airline in Berlin in the year ended 30 September 2019 in terms of number of seats flown.

In Switzerland, the Group flew approximately 8.4 million seats in the year ended 30 September 2019 and was number two in the market by number of seats flown. Its closest competitors, ranked in order of number of seats flown, were SWISS and IAG. The Group was the number one airline in both Basel and Geneva in the year ended 30 September 2019 in terms of number of seats flown.

The Group is well positioned in key European urban areas where, prior to the COVID-19 pandemic, it was a number one or number two leader in the majority of large and wealthy European markets.

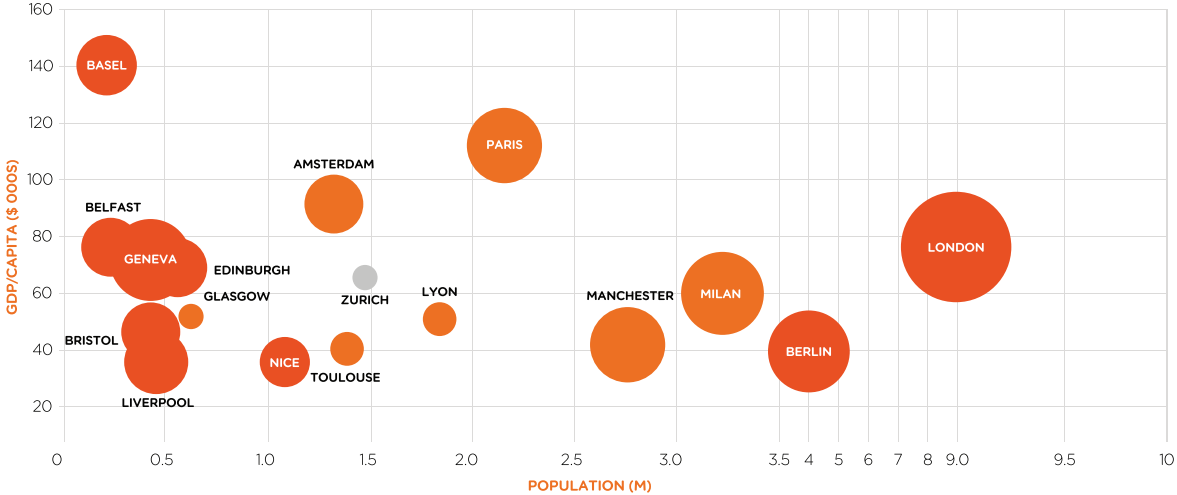
Exhibit 3: easyJet leadership in key European urban areas

LEADING POSITIONS IN MAJOR EUROPEAN CITIES

2019 TOP 50 EUROPEAN CITIES BY GDP/CAPITA¹. BUBBLES REPRESENT EASYJET TOUCHING CAPACITY².

BASE RANKING **1** **2**
 ● OTHER / NON BASE

1. Source: Oxford Economics Global Travel Service city forecast CY2019/OAG LTM Mar2020
 2. Source: CY 2019 actuals (TM1)



Source: easyJet, FY2020 annual report

The Group's holidays business competes against other package holiday firms and charter airlines. The Group has a competitive advantage in holidays in that customers typically book flights first, so the Group can offer holiday durations tailored to its customers. easyJet Holidays additionally has high operating leverage as there are no financial commitments to hotel stock. During periods of reduced demand such as the current COVID-19 pandemic, the Group has benefited from its ability to keep minimal inventory.

5. Strategy of the Group

The Group has a strong track record of delivering value to shareholders through its competitive advantages of a strong network, strong market positions, an efficient low-cost model, customer loyalty and a robust balance sheet.

In light of the impact of COVID-19 on the airline industry and the Group's business, the Group's strategic priorities have evolved to ensure that it is well positioned for recovery and delivers a growth plan that builds on structural advantages. The focuses of this amended strategy include:

- protecting the Group's unique core network positions;
- focusing on the Group's customer proposition;
- identifying and supporting the Group's people;
- improving the Group's cost position; and
- focusing on the Group's balance sheet.

5.1 Protecting the Group's unique core network positions

The Group's strategy is to drive both leisure and business travel by focusing on primary airports which serve valuable catchment areas. The Group's model is to operate out of primary airports and its route frequencies deliver choice and flexibility for its customers whilst increasing returns for the Group.

The Group has a portfolio of slots at customer-friendly times in capacity constrained airports, which the Group believes reinforces its competitive advantage against other airlines in terms of breadth of destinations and frequencies. These capacity constrained primary airports have been among the highest yielding in terms of tickets sold during the COVID-19 pandemic, enabling the Group to be efficient with its network choices with an emphasis on maximising returns.

The Group regularly reviews its route network and constantly strives to balance its network by allocating aircraft to areas of the network which drive the highest returns depending on the time of day or year.

In the aftermath of the COVID-19 pandemic, the Group believes the scale and flexibility of its network will provide it with opportunities to take advantage of changes in the competitive landscape of the airline industry during the recovery phase. The Group believes that by focusing on its country leadership in Western Europe and adding new bases to provide further network breadth and flexibility, the Group will achieve cost benefits to manage seasonality and support the growth of easyJet Holidays with limited risk.

5.2 Focusing on the Group's customer proposition

The Group aims to make travel easy, enjoyable and affordable for customers, whether such travel is for business or leisure. In June 2020, in light of the COVID-19 pandemic, the Group launched its "Europe with Confidence Pledge" in order to reinforce its core brand values: wellbeing, sustainability and value.

5.2.1 Wellbeing

The safety and wellbeing of the Group's customers and staff is its priority. As a result of the COVID-19 pandemic, the Group has introduced additional daily deep cleaning and disinfection of aircraft, the mandatory wearing of masks by non-exempt passengers and cabin crew, and providing hygiene supplies onboard.

The Group has also put in place measures to allow customers to book with confidence during the pandemic, including launching a new COVID-19 Travel Hub on its website and a Self-Service Disruption Management (SSDM) initiative to allow customers to quickly self-serve in the event of any disruption and a social strategy to create a continuous information and feedback service.

5.2.2 Sustainability

Since 19 November 2019, the Group has offset the carbon emissions from the fuel used for all its flights across its whole network on behalf of customers. In doing so, the Group is the world's first major airline to offset the carbon emissions from fuel across its network.

The Group will continue its long-term work to support innovative technology, including the development of hybrid, electric and hydrogen planes, as well as sustainable aviation fuels as they become commercially viable, working with others across the industry to reinvent aviation over the long-term so that European aviation can become net-zero carbon. The Group is also transitioning its fleet to increasingly more modern, fuel-efficient aircraft and seeks to further increase fuel efficiency by operating the aircraft in ways which avoid the unnecessary use of fuel, and maximising passenger load factor as much as possible.

5.2.3 Value

The Group is committed to providing customers with fares which represent value for money. In order to give customers increased flexibility during the COVID-19 pandemic, the Group has introduced the ability for customers to transfer their flight for free (provided the new fare is equal to or lower than the original one) to a later date if their trip is impacted by a lockdown travel ban or mandatory hotel quarantine, anytime up to 2 hours before departure (for flights up to and including 30 September 2021), and otherwise make free online changes to their booking up to 28 days before departure.

5.2.4 Customer excellence

The Group aims to deliver a seamless and digitalised customer experience at each stage of the customer journey.

- **Prior to travel:** The Group has recently focused on rebuilding its web booking interface, driving app usage and enhancing self-service booking management such as changing passenger details or baggage booking.
- **In the airport:** The Group continues to encourage digital boarding passes and developing virtual boarding. The Group continues to build on the London Gatwick 'Model Customer Journey' which it is expanding into other large cities.
- **On the flight:** The Group monitors its on-time performance by carrying out base operating reviews, managing its suppliers and implementing pre-tactical and strategic Air Traffic Control planning. The Group is extending customer-level data to make targeted offers such as inflight retail and reviews the customer relationship management life cycle for more relevant customer engagement.
- **Customer support:** The Group is launching a Self-Service Disruption Management (SSDM) initiative to allow customers to quickly self-serve in the event of any disruption and a social strategy to create a continuous information and feedback service.

5.2.5 easyJet Holidays

The Group replaced its previously outsourced commission-based holiday model with easyJet Holidays. easyJet Holidays offers package holidays directly to customers, which has grown quickly and at scale as a result of the Group's low-cost base and direct access to the Group customers.

The Group believes that easyJet Holidays is a low risk, scalable business model which facilitates the Group leading the market from a pricing perspective. The easyJet Holiday model has a number of benefits including low overheads, a reduced operational headcount and cost base due to its primarily digital delivery, a technology platform that allows for easy adjustment to match a change in the demand environment and its strategy to build long-term relationships with hotels, destination management companies and trade and tourism boards. During the first half of 2021, the Group signed over 40 additional flagship beach hotels which were previously under exclusive contracts with competitors, establishing connectivity with some of the world's largest hotel chains including Hilton, Accor, Radisson and Intercontinental Hotel Group.

5.3 Supporting the Group's people

Despite the challenges of the COVID-19 pandemic and the resulting ongoing restructuring, the Group still has a strong reputation as an attractive employer, having been voted as the 16th Best Place to Work 2020 by Glassdoor, the highest in the aviation industry.

The Group believes it continues to attract high calibre customer facing employees and this helps to differentiate the Group from its competitors and contribute to the satisfaction of its customers.

Creating an inclusive and energising environment which attracts the right people is a key part of the Group's strategy. The Group has several initiatives in place to continue to improve diversity and drive efficiency:

- The Group has completed functional engagement sessions across the business and our internal engagement measure for inclusion remains consistently strong.
- The Group has made changes to its HR systems in order to be able to capture more diversity data, where employees are comfortable sharing their data. This enables the Group to have much more information about our employees across the business to support better decision making.
- The Group has amended its terms and conditions for customer and supplier relationships to ensure that any type of discrimination is not tolerated, alongside its internal bullying and harassment policies.
- The Group has launched a communication channel on its internal workplace for colleagues to share experiences and stories, which has been hugely popular with significant levels of participation across the Group's communities.

5.4 Improving the Group's cost position

In response to the COVID-19 pandemic, the Group has launched the largest restructuring and cost-out programme in its history. This restructuring and cost-out programme is on track to achieve approximately £500 million in savings in the financial year ending 30 September 2021, of which the Directors expect almost half will be sustainable on an ongoing basis.

The restructuring and cost-out programme in the United Kingdom has been completed and the targeted cost savings have been achieved. Union or works council agreements have now been finalised in the United Kingdom, Germany, the Netherlands, Portugal, Spain and Switzerland whilst discussions have also started in other territories. Discussions with the relevant unions and works councils have been constructive and have resulted in greatly increased seasonal and flexible working patterns whilst largely avoiding the need for compulsory redundancies. Agreement has also been reached on a two-year pay freeze across seven countries and approximately 30% of the Group's UK-based pilots have moved to seasonal contracts, agreeing to work during the peak months only. Collectively, the Directors expect these measures to significantly decrease costs through reduced overall employment costs as well as increased productivity.

The Group has also taken steps to reduce fuel costs by using shorter flight routing plans, flying more efficiently and reducing the use of ground power units, measures which also improve the business' sustainability and help noise abatement.

The Group's cost discipline on ground handling has increased with simpler contracts to drive value and focus on punctuality. The Group continues to negotiate volume and growth-based deals at key airports and is targeting a 50% reduction in events which lead to payable compensation under EU 261 (or equivalent UK legislation). In addition, where cost-effective, the Group is bringing line maintenance in-house as some of the business' key maintenance providers exit European markets. This generates greater efficiencies and provides flexibility to the Group's operations.

During the COVID-19 pandemic, the Group has also utilised European-wide furlough arrangements, terminated all discretionary spending and deferred non-essential maintenance costs.

5.5 Focusing on the Group's balance sheet

The Group regularly executes sale and leaseback transactions for aircraft to manage residual value risk and maintain flexibility. In the six months ending 31 March 2021, sale and leasebacks of a further 35 aircraft were transacted to further bolster the Group's liquidity position by raising an additional £810 million in net proceeds and adding a further approximately £90 million to per annum headline costs. Total lease liability for the Group is £1,027 million (an increase of 91.6% from £536 million as at 31 March 2020). As a result of increasing maintenance costs and return conditions, sale and leaseback arrangements are expected to add £140 million to the Group's headline costs by 30 September 2022.

Following these transactions, the Group retains ownership of 55% of its total fleet, with 41% unencumbered (compared to ownership of 68% of its total fleet and 32% unencumbered as at 31 March 2020 and ownership of 70% of its total fleet and 70% unencumbered as at 30 September

2019). The Group is not currently considering any further sale and leaseback transactions on the scale of those undertaken during 2020.

6. Safety

The Group's highest priority is the physical safety and security of its passengers and its people. The Group is committed to operating in a healthy, safe and secure way in compliance with all applicable laws, regulations, company policies and industry standards. The Group has comprehensive processes and governance structures in place to monitor and manage safety-related risk throughout the airline.

The safety management of the Group is managed from the top of the organisation. The Group's chief operating officer, alongside the appointed AOC managers for each of easyJet Switzerland SA, easyJet Europe Airline GmbH and easyJet UK Limited, are responsible for all aspects of safety delivery, including compliance obligations across the Group. In parallel, the Group's chief operating officer chairs the safety board at executive management level (the "**Safety Board**"), which is responsible for directing overall corporate safety policy and governance. The Safety Board meets monthly to assess reports from the safety review boards and safety action groups across the airline (which are responsible for the identification, evaluation and control of safety and compliance related risks for their respective entities). This review and assessment process delivers reports to all relevant aviation regulators and the Board.

To further strengthen the safety structure and allow for a more in-depth review of safety matters, the Group established a committee of the Board in 2013 (the "**Safety Committee**"). The primary function of the Safety Committee is to assess the Group's oversight of safety and compliance systems, processes, operations and resources, which is carried out by reviewing, monitoring and providing oversight of the implementation of the Group's annual safety plan and safety and compliance management systems. The Safety Committee also examines specific safety issues as requested by the Board and continues to ensure that safety receives the highest level of attention.

The Group has implemented a number of new safety measures since the outbreak of the COVID-19 pandemic based on the latest government, European Union Aviation Safety Agency, ICAO and public health guidance. The Group has a comprehensive set of biosecurity standards in place to minimise the risk of transmission of infectious diseases, which are overseen by the Group's Biosecurity Standards Group. To keep the cabin air as clean as possible, all of the Group's aircraft have industry leading filtration systems. The Group has also implemented additional daily cleaning and disinfection of aircraft. All non-exempt passengers and cabin crew are required to wear masks on board the Group's flights.

The Group has also committed to the European Union Aviation Safety Agency's ("**EASA**") Aviation Industry Charter for COVID-19 which includes ensuring passengers are aware of measures required for a safe and healthy environment before they travel, reducing the chance of people with symptoms arriving at the airport, reducing the risk of transmission from within the airport, reducing the risk of an infected passenger boarding the aircraft, and reducing the risk of transmission on board the aircraft.

The Group has established a safety and compliance management system and a fatigue risk management system (approved for use by all relevant aviation regulators) which incorporate rigorous reporting processes. Through these systems, the Group is continually working to drive safety performance improvements and reduce risks to its people, passengers and suppliers.

As part of the Group's ongoing commitment to safety improvements, the Group continues to develop appropriate safety standards throughout its supply chain. This includes the promotion of improved communication and engagement on safety issues and sharing and learning from best practice.

The Group's security team works to reduce vulnerability to security-related risks. The security team co-operates closely with government and regulatory agencies throughout its network to ensure strict compliance with security regulations. Security risk assessments are conducted for each airport and country to which the Group flies. High standards of vigilance are maintained regarding the current geopolitical situation within those countries to inform these assessments. The Group implements measures to protect it from corporate and aviation security risks, including internal governance of business-sensitive and personal data, vetting people and asset protection.

7. Environment and sustainability

Environmental concerns have a significant impact on public policy towards aviation in a range of areas affecting an airline carrier's business, from restrictions on airport expansion to passenger taxes. The Group is committed to addressing the environmental impact of its business through the development of its fleet, using fuel efficient aircraft, and optimising their use through the efficiency initiatives. The airline industry will continue to rely on the use of fossil fuels in the short and medium term, whilst the Sustainable Aviation Fuel industry expands and matures, and new zero-emissions technologies are developed. However, the Group believes that the industry must show that it is making continual improvements in efficiency and optimising the use of these fossil fuels, whilst also supporting the longer-term technological changes necessary to deliver more sustainable flying.

7.1 Environmental impact of the business

The nature of airline operations means that the Group is a significant emitter of greenhouse gases, in particular carbon dioxide. The EU ETS imposes regulatory obligations on the Group regarding the environmental impact of its business in each of the jurisdictions where EU ETS applies. Similar regulatory obligations arise under emission trading schemes in Switzerland and the United Kingdom.

The Group will continue to comply with these emission trading schemes and any new regulations introduced in jurisdictions in which the Group operates.

From 19 November 2019, the Group has offset carbon emissions from the fuel used for its flights on behalf of customers by investing in projects that reduce carbon in the atmosphere.

In developing its carbon credit portfolio, the Group has partnered with Climate Focus BV, an international advisory company with experience in climate finance and carbon markets, to help with the appointment of projects the Group invests in. This has resulted in investments exclusively in Gold Standard and Verified Carbon Standard (VCS) carbon credits, in some of the most intense deforestation hotspots around the globe.

Whilst the voluntary carbon offset market is increasingly recognised as having major potential to contribute towards limiting global warming, it remains relatively small and unregulated. In September 2020, the Group joined the Taskforce on Scaling Voluntary Carbon Markets, an initiative launched by Mark Carney, the former Governor of the Bank of England. This initiative aims to facilitate the rapid scaling and maturing of the carbon offset market.

Offsetting carbon emissions is an interim measure and will be in place until new carbon-reducing technologies become available and commercially viable. In the meantime, the Group continues to support innovative technology, including the development of hybrid and electric planes, working with others across the industry to reinvent aviation over the long-term so that European aviation can become net-zero carbon. The Group's actions towards reaching net zero include:

- **UK Jet Zero Council:** The Chief Executive Officer has been appointed a member of the UK Government's Jet Zero Council, which has been tasked with making net-zero emissions possible for future flights.
- **Science-Based Targets Initiative:** The Company is involved in a technical working group to develop a decarbonisation trajectory specific to aviation which aligns with the Paris Agreement. This includes pilot testing of a new target setting tool for airlines.
- **EU Clean Sky hydrogen project:** The Group contributed to the study led by McKinsey & Company, evaluating hydrogen as a decarbonisation option for aviation.
- **Wright Electric:** The Group has supported Wright Electric since 2017 in its plans to develop the "Wright 1", an all-electric single aisle 186-seater aircraft.

The Group's focus on operational efficiency also continues to deliver fuel and carbon emissions savings. The Group is transitioning its fleet to increasingly modern, fuel efficient aircraft, operating the aircraft in ways which avoid the unnecessary use of fuel, and maximising passenger load factors as much as possible.

The Group started to operate the Airbus A320neo in 2017 and the Airbus A321neo in 2018. These aircraft are 15% more fuel efficient than previous generation aircraft. The Airbus A321neo also helps maximise use of airport capacity as it is larger than the previous generation of Airbus A320s.

7.2 Greenhouse gas emissions

For the 2020 financial year, the Group commissioned The Carbon Trust to calculate its carbon footprint in accordance with the Greenhouse Gas Protocol (the “**GHG Protocol**”). The GHG Protocol categorises emissions into three scopes:

- **Scope 1:** Direct emissions from owned and leased assets (e.g., consumption of fossil fuels).
- **Scope 2:** Indirect emissions from imported energy used in owned assets (e.g., grid electricity).
- **Scope 3:** All other indirect emissions resulting from upstream and downstream business activity (e.g., supply chain, business travel, aircraft, etc.).

The table below sets out the Group’s greenhouse gas emissions for the 2020 financial year against the 2019 financial year (as retrospectively reviewed against the GHG Protocol):

	For the year ended 30 September	
	2020	2019
Scope 1 (tonnes of CO ₂ e)	4,247,159	8,324,525
Scope 2 (tonnes of CO ₂ e)	976	1,456
Scope 3 (tonnes of CO ₂ e)	1,145,845	2,112,047
Total scopes 1 and 2	4,248,135	8,325,981
Total energy use (kWh)—scopes 1 and 2	17,142,470,929	33,605,118,594
Total carbon footprint—scopes 1, 2 and 3	5,393,980	10,438,028
Carbon offsets (tonnes of CO ₂ e ¹)	3,146,196	—

(1) Carbon credits retired to account for the tonnes of CO₂e emitted by the use of aviation fuel and non-aviation fuels (scope 1 and 2) for the period 19 November 2019 to 30 September 2020.

The Group’s CO₂ emissions in the year ended 30 September 2020 were down 49% on its emissions in the year ended 30 September 2019, primarily due to the reduction in flying as a result of the COVID-19 pandemic. The Group’s calculation of emissions is based on fuel burn measurement, which is verified to comply with the EU ETS requirements.

The Group’s carbon reduction target is based on carbon emissions per passenger kilometre. Since 2000, the Group has reduced its carbon emissions per passenger, per kilometre by over one third. Its current target is a 10% reduction from its 2016 financial year performance by 2022. The impact of the COVID-19 pandemic, including aircraft deferrals and future load factors, will affect progress towards the Group’s carbon intensity target. The Group will continue to monitor these effects and its trajectory towards the target.

In the year ended 30 September 2020, the Group’s carbon dioxide emissions per passenger kilometre were 70.77 grams, up from 70.41 grams per passenger kilometre in the year ended 30 September 2019, primarily due to reduced load factors.

7.3 Emissions trading

Under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, certain contracting states entered into obligations to control and reduce the emission of greenhouse gases.

To comply with its obligations under public international law, the European Union introduced the EU ETS in 2003 to limit greenhouse gas emissions and the trading allowances which apply to certain industrial installations. This is the world’s largest “cap-and-trade” scheme, covering approximately 45% of the European Union’s greenhouse gas emissions. The airline industry was incorporated into the ETS in 2009 and the first carbon credit surrender took place in 2012. Civil aviation intra-EEA flights have been included since 2012, which has led to over 17 million tonnes of CO₂ being reduced per year in other sectors.

In October 2016 the International Civil Aviation Organisation agreed a Carbon Offsetting and Reduction Scheme for International Aviation (“**CORSIA**”) to target carbon neutral growth from 2020 and 50% net reduction by 2050 for the airline sector.

The Group was among the first supporters of the aviation industry’s entry into the EU ETS, which it views as an important step to ensuring that the aviation industry is helping to tackle climate change.

The Group continues to support efforts to ensure that all aviation is brought into a scheme to tackle emissions globally and will continue to comply with all applicable regulations.

7.4 Noise emissions

The Group supports industry-wide efforts to support the long-term technological changes necessary to deliver more sustainable flying. The Group is a member of “Sustainable Aviation”, a UK body that focuses on cross-industry measures to target climate change, noise and local air quality. Sustainable Aviation aims to show how reductions in overall carbon dioxide and noise emissions can be delivered alongside growth in aviation.

The Group seeks to comply with all local rules that govern noise emissions at airports (such as curfews and routings to avoid built up areas) and the Group’s aircraft meet international noise standards (in accordance with chapter 4 of the International Civil Aviation Organisation’s published standards relating to the reduction of aircraft noise).

The new generation Airbus A320neo and A321neo aircraft used by the Group are 50% quieter during take-off and landing than the equivalent previous generation aircraft. The Group has also carried out a retrofit programme to address a sound associated with any previous generation Airbus A320 aircraft, to reduce noise associated with airflow under the wing.

7.5 Plastics reduction

Whilst the Group’s focus remains on climate change, it is committed to addressing a range of other sustainability issues. Whilst the Group continues to make progress in recycling and reducing plastic, glass, metal cans, paper and food waste, the use of single-use plastics is an important issue and one which the Group is actively addressing. By introducing changes to the Group’s inflight food and drinks products and service by sourcing more sustainable alternatives, the Group has eliminated over 27 million individual items of plastic.

8. Data protection

The Group is subject to obligations in respect of data protection legislation. On 19 May 2020, the Group announced that it had been the target of a highly sophisticated cyber-attack which affected approximately nine million customers, whose email addresses and travel details were accessed, of which 2,208 customers also had their credit and debit card details accessed.

As soon as the Group became aware of potential unusual activity on some of its systems, it took immediate steps to respond and manage the incident, including launching an investigation with the support of leading experts and informing the National Cyber Security Centre. Investigations revealed that the Group was the victim of a cyber-attack and the Group notified the ICO. All customers affected by the Cyber-Attack have been notified of the incident. Customers whose payment card details were accessed were notified in April 2020.

The Cyber-Attack is under investigation by the ICO. Because the Cyber-Attack took place before the United Kingdom left the European Union, the Group expects the ICO to be investigating on behalf of all EU data protection authorities as lead supervisory authority under the GDPR. Any penalty or enforcement action will need to be reviewed and approved by the other EU data protection authorities under the GDPR’s cooperation process.

The ICO has opened an investigation into the cyber-attack. Discussions continue to be held with the ICO and no provision has been recognised in the Group’s accounts to date.

A class action law firm has also filed a group claim against the Company in the High Court of England and Wales and claims have also been commenced or threatened in certain other courts and jurisdictions. The likely outcome and potential impact on the Group of the investigation by the ICO, group action and other claims are subject to a number of significant uncertainties and therefore the Group is unable to assess the likely outcome or quantum of the claims as at the date of this Prospectus.

The Group has been negatively impacted by cyber security threats. Cyber security threats are a reality for all businesses today and require constant vigilance. The Group works closely with the world’s leading experts to further enhance its cyber defence. Cyber security remains a key priority for 2021

and beyond and has continued to be a key area of focus and investment during the COVID-19 pandemic.

In addition to data protection legislation such as GDPR, some of the Group's airlines are also subject to the requirements of the National Information Security Directive with varied approaches taken by the different member states as they apply those requirements.

9. Insurance

The Group has insurance coverage which the Directors believe is consistent with industry standard. Broadly, the Group's insurance covers:

- hull (all risks) and liabilities insurance (including spares);
- property damage insurance;
- employer's liability insurance;
- directors and officers insurance;
- public and product liability insurance;
- aviation insurance;
- tour operators liability insurance; and
- business interruption insurance to cover large short-term shock events.

However, there can be no assurance that the amount of the Group's insurance coverage available in the event of a catastrophic loss, major safety or operational incident would be applicable or adequate to cover such losses (including any arising from claims, disputes or litigation).

Council Regulation (EC) No. 2027/97, as amended by Council Regulation (EC) No. 889/2002, governs air carrier liability. This legislation provides for unlimited liability of an air carrier in the event of death or bodily injuries suffered by passengers, implementing the Warsaw Convention of 1929 for the Unification of Certain Rules Relating to Transportation by Air, as amended by the Montreal Convention of 1999. The Group's liability insurance has been designed to meet the appropriate requirements of the legislation.

10. Employees and employee relations

10.1 The workforce

As at 30 September 2020, the number of people employed by the Group was 14,000 employees, compared to 15,000 employees as at 30 September 2019.

As at 31 March 2021, the Group employed 13,425 employees with 28% employed in a part-time capacity (as opposed to in a full-time capacity) and 12% employed in a permanent capacity (as opposed to in a temporary capacity). The breakdown of employees across the Group is shown in the below table.

	As at 31 March			
	2021		2020	
Cabin Crew	7,182	54%	9,039	58%
Pilots	4,198	31%	4,492	29%
Airport	490	4%	313	2%
Maintenance	189	1%	189	1%
Corporate	1,366	10%	1,637	10%
Total	13,425		15,670	

24 trade unions across eight countries represent the Group's pilots, crew and engineers. Each of these countries have localised employment terms and conditions which mitigates the risk of large-scale internal industrial action occurring at the same time. The Group has processes in place to adapt to disruptions as a result of industrial action.

The Group recognises the importance of actively engaging with the trade unions and other representative bodies across its operations to promote the success of the business. As at 31 March

2021, the Group was engaged with 24 trade unions involved in 18 collective bargaining groups and 7 representative bodies across eight countries, undertaking dialogue and negotiation, both informal and formal, on a regular basis. The Group also actively supports employee representatives by allowing them paid union leave.

Across its portfolio, the Group's employees play a pivotal role in the cultural identity of the Group, whilst at the same time providing safe and reliable operations. The Group understands the importance of retaining and promoting talent. The Group focuses on leveraging employee expertise and ensuring the development of talent, with succession planning in place to ensure that the best people are moved across the various businesses. Each operating company in the Group is responsible for ensuring that its employees complete mandatory training, with the majority of training being provided to cabin crew and pilots.

10.2 National wage subsidy schemes and reduction in salaries

In light of the announcement on 31 March 2020 to ground the Group's entire fleet, EACL utilised the United Kingdom Coronavirus Job Retention Scheme, where employees designated as being furloughed were eligible to have 80% of their wage costs paid up to a maximum of £2,500 per month. The Group also utilised similar schemes provided by governments in Portugal, Germany, Netherlands, France, Italy and Switzerland.

The total amount received by the Group under the United Kingdom Coronavirus Job Retention Scheme amounted to approximately £127 million for all periods claimed up to and including 31 July 2021.

From 1 April 2020, the board and senior management also voluntarily reduced their base salary by 20% for a three-month period.

10.3 Restructuring

As a result of the COVID-19 pandemic, the Group is undertaking a major restructuring and cost-out programme seeking to position the business to emerge from the COVID-19 pandemic in an even more competitive position for the long term. This is the largest cost-out programme in the Group's history and up to 30% of the Group's headcount costs are expected to be cut. Savings are expected to generate approximately £500 million of savings in the financial year ending 30 September 2021, which are targeted across all areas of the business, with almost half of these savings expected to be sustainable on an ongoing basis.

Consultation processes have successfully concluded and agreements reached with relevant unions in all countries (including the United Kingdom, Switzerland, France, Spain and the Netherlands), with exception of discussions with Italy which are ongoing and Germany where crew arrangements are concluding. The Group has been able to deliver significant cost and productivity savings, including:

- Reducing the number of full-time equivalent ("FTE") crew per aircraft in all bases (excluding Italy) for the summer 2021 flying programme. This has enabled significant improvements in the Group's crew ratios and productivity in preparation for a return to flying.
- Minimising redundancy costs by agreeing part-time and seasonal contracts with the relevant unions. This is expected to improve productivity on a sustainable basis and will allow capacity to grow if required, without the requirement to hire new employees.
- Re-balancing the number of seasonal contracts across the Groups network, with 10% of the Group's UK crew already moved onto seasonal contracts to operate in the peak months only. The Directors expect these agreements will help to significantly improve crew productivity.
- Agreement has been reached on a two-year pay freeze across seven countries, and approximately 30% of the Group's UK-based pilots have moved to seasonal contracts, agreeing to work during the peak months only. Collectively these agreements are expected to significantly decrease costs through reduced overall employment costs as well as increased productivity.
- Furlough arrangements across the Group's jurisdictions.

11. Pensions

The Group provides retirement benefits to certain of its current and former employees through a number of pension arrangements. In the year ended 30 September 2020 the cost to the Group of contributions to these schemes was £77 million (2019: £87 million), of which £71 million related to the Group's defined contribution schemes and £6 million to the Group's Swiss pension scheme, described below.

11.1 Defined contribution schemes

The Group operates a number of defined contribution schemes for its employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The Group's contributions are charged to the income statement in the year in which they are incurred. The Group has no further payment obligations once the contributions have been paid for defined contribution schemes.

11.2 Swiss scheme

The Group contributes to an independently administered post-employment fund for employees in Switzerland. The final benefit is contribution-based with a guaranteed minimum interest rate of 1%, plus a guaranteed minimum conversion rate to be applied to accumulated pension on retirement at 6.8%. These reflect minimum guarantees required by Swiss law. Due to these minimum guarantees, the Swiss pension plan meets IAS 19 Employee Benefits requirements to be treated as a defined benefit plan for the purposes of the Group's consolidated financial statements. The Group's portion of the current service costs and the net interest cost are charged to the consolidated income statement in the year in which they relate. Actuarial gains and losses are recognised in the consolidated statement of comprehensive income and the consolidated balance sheet reflects the net surplus or deficit at the balance sheet date. As at 30 September 2020 the Group recognised a net deficit of £45 million on its balance sheet in respect of Swiss scheme (2019: net deficit of £47 million),

12. Legal and regulatory framework

The international and strategic importance of the airline industry, along with its safety and security critical requirements, means that it will always be subject to a wide range of regulatory controls. The Group monitors and, where possible, contributes to global, regional and national regulatory developments where they affect its business. As a result, the regulatory environment has a significant impact on the Group including its subsidiaries easyJet UK Limited, easyJet Europe Airline GmbH and easyJet Switzerland SA, in particular the legislative framework set out by the European Union, United Kingdom, Austria and Switzerland.

12.1 International Regulation

The International Civil Aviation Organisation is an agency of the United Nations and was established by the 1944 Chicago Convention on International Civil Aviation (the "**Convention**"). The Convention established the process of coordinating and regulating international air services through bilateral air services agreements ("**ASAs**") between sovereign states. ASAs are international bilateral treaties between states, with government-negotiated terms and conditions covering all aspects of commercial scheduled air services between the two countries. An exception to this is the single aviation market arrangement which applies within the European Union and the multilateral agreements between the European Union and third countries.

12.2 EU Regulation

The Group is and will continue to be affected by a wide range of EU laws and regulations. These include safety, security, aircraft operations, airline ownership, airport slot allocations, ground handling, competition, airport charges, consumer protection, insurance, environmental protection, air traffic control and general data protection.

Since April 1997, EU air carriers have been able to provide passenger services on routes between and within EU Member States (and outside their 'home' country of operations) without restrictions on capacity, frequencies and fares. The European Free Trade Association states and a number of other neighbouring countries are also parties to a multilateral agreement known as the European Common Aviation Area.

The Air Services Regulation sets nationality requirements for the holding of operating licences issued by EU Member States. An operating licence is an authorisation permitting the holder to transport passengers, mail or cargo by air. The Air Services Regulation requires that (i) an air carrier must be owned and continue to be owned directly or through majority ownership by EEA states and/or nationals of EEA states (for the purposes of the Air Services Regulation, this includes also ownership by Switzerland and/or Swiss nationals) and (ii) the air carrier must at all times be effectively controlled by such EEA member states or EU Nationals.

In order to ensure compliance with the Air Services Regulation, the Group announced in July 2017 that it had established a new airline, easyJet Europe Airline GmbH, which is headquartered in Vienna, Austria which allows the Group to continue to operate flights both across Europe and domestically within European countries after the United Kingdom left the European Union. In addition to the incorporation of easyJet Europe Airline GmbH, the Company amended its Articles of Association at its 2018 annual general meeting to ensure the Company is able to remain EU owned and controlled at all times after the United Kingdom left the European Union. On 23 December 2020, the Company announced that the Board has passed resolutions as part of its contingency plan to ensure continued compliance with EU ownership and control requirements following the end of the Brexit transition period on 31 December 2020. Accordingly, and in line with its contingency plans, the Board had resolved to set a permitted maximum level of ownership of the Company's shares by Relevant Persons (being non-EU Nationals) to 49.5%.

As at 1 January 2021, the level of ownership of the Company's Shares by EU Nationals was 47.35% and the level of ownership by Relevant Persons was 52.65%. As a result, the Company exercised the provisions under its Articles of Association which allow the Directors to suspend voting rights in respect of certain Shares held by Relevant Persons. Such Shares are deemed to be Affected Shares for the purposes of the Company's Articles. Holders of such Affected Shares are not permitted to attend, speak or vote at the Company's general meetings or any meetings of the holders of any class of the Company's shares. The voting rights suspension has been applied on a LIFO basis, such that the Shares most recently acquired by Relevant Persons will have their voting rights suspended first. As at the Latest Practicable Date, a majority of the voting rights in the Company are held by EU Nationals.

12.3 UK Regulation

easyJet UK Limited currently has an operating licence and an air operator's certificate in the United Kingdom which are subject to routine audit and review.

The UK Civil Aviation Authority (the "**UK CAA**") is currently primarily responsible for overseeing and regulating air carriers in the United Kingdom. The UK CAA is responsible for licensing airlines which have their principal place of business in the United Kingdom through the issue of operating licences, subject to the requirements of UK law. An operating licence is an authorisation permitting the holder to transport passengers, mail or cargo by air. The criteria for granting an operating licence includes, *inter alia*, an air carrier's financial fitness, the adequacy of its insurance and the fitness of the persons who will manage the air carrier.

The UK CAA currently issues operating licences in the United Kingdom under the provisions of the Air Services Regulation, as amended by the UK Operation of Air Services (Amendment etc.) (EU Exit) Regulations 2020 (SI 2020 No. 1632). The Civil Aviation Act 1982 provides further requirements that a carrier must hold (and comply with the terms of) a relevant "route licence" to operate aircraft on flights involving (1) UK registered aircraft or (2) the carriage of passengers or cargo outside the United Kingdom for non-UK registered aircraft. Such licences are granted by the CAA and can only be granted where the applicant holds a valid operating licence. easyJet holds the required "route licences" for any relevant routes.

The Air Passenger Duty Regulations 1994 and its more recent amendments also impose a duty levied on the carriage of passengers from a UK airport (subject to limited exceptions). The duty is payable by operating carriers (both those based in the United Kingdom and foreign carriers) with the amount payable being calculated by reference to the passenger's final destination and the class of travel.

12.4 Austrian Regulation

easyJet Europe Airline GmbH has an operating licence and an air operator's certificate in Austria which are subject to routine audit and review.

Austro Control GmbH (“**Austrocontrol**”), a state-owned entity, is responsible for overseeing and regulating air carriers in Austria and issues air operator certificates under the requirements of EU and Austrian law. The Federal Ministry for Transport, Innovation and Technology is responsible for issuing operating licences in accordance with EU and Austrian law. The criteria for granting an operating licence includes, *inter alia*, EU nationality, an air carrier’s financial fitness, the adequacy of its insurance and the fitness of the persons who will manage the air carrier.

12.5 Swiss Regulation

easyJet Switzerland SA has an operating licence and an air operator’s certificate in Switzerland which are subject to routine audit and review.

The Federal Office of Civil Aviation (“**FOCA**”) is a part of the Federal Department of the Environment, Transport, Energy and Communications in Switzerland. The FOCA is responsible for the regulation and oversight of civil aviation in Switzerland, and is responsible for licensing Swiss airlines through the issue of operating licences. An operating licence is required for commercial flight operators in Switzerland.

There are two main applicable sources of legislation for civil aviation companies operating in Switzerland, Swiss laws and ordinances (including the Swiss Federal Civil Aviation Act and the Swiss Federal Civil Aviation Ordinance) and regulations and directives based on EU legislation. Based on the agreement between the European Union and the Swiss Confederation on Air Transport which entered into force on 1 June 2002, Switzerland has adopted the relevant civil aviation regulations of the European Union, which are more fully described above. Swiss legislation requires air carriers with an EU or European Free Trade Association operating licence to also hold and comply with a route licence issued by FOCA.

FOCA grants operating licences in Switzerland under the provisions of the Air Services Regulation (which applies to Switzerland by virtue of the “*Agreement between the European Community and the Swiss Confederation on Air Transport*” referred to above which entered into force on 1 June 2002).

12.6 Other Regulation

Generally, the Group is affected by a wide range of laws and regulations in each of the jurisdictions it operates in. These include safety, security, ground handling, airport charges, consumer protection, passenger taxes, package travel, environmental protection and air traffic control.

For instance:

- easyJet Holidays has an Air Travel Organiser’s Licence (“**ATOL**”) granted by the UK CAA. An ATOL is required by law in the United Kingdom in certain circumstances, including when a firm sells an air package holiday which it has organised itself, or a flight from the United Kingdom which includes overseas accommodation (including cruise), overseas car hire, or a combination of the two. ATOL holders generally must post a bond that covers all components of the package holidays they sell, in order to provide security if the tour operator goes out of business.
- Under EU 261 and APR, airlines including the Group are required to compensate passengers for certain flight delays and cancellations, among other things. In particular, the legislation provides for compensation in a cash amount equal to €250/£220, €400/£350 or €600/£520 per passenger, depending on the length of the flight and the circumstances, with short-haul flights typically subject to compensation in an amount equal to €250/£220 per passenger where this is due. In certain circumstances, the Group must offer the option of a refund of the cost of the unused ticket and refund must occur within a set timeframe. In addition, passengers may also be entitled to welfare assistance, including reimbursement for meals, drinks and telephone calls, as well as hotel accommodation, depending on the length of the delay.

PART XI
DIRECTORS, SENIOR MANAGERS AND GOVERNANCE

1. Directors

The Directors of the Company as at the date of this document and their respective roles are set out below:

<u>Name</u>	<u>Position</u>
John Barton	Non-Executive Chairman
Johan Lundgren	Chief Executive Officer
Kenton Jarvis	Chief Financial Officer
Julie Southern	Senior Independent Director
Stephen Hester	Non-Executive Chairman Designate
Dr Andreas Bierwirth	Independent Non-Executive Director
Catherine Bradley CBE	Independent Non-Executive Director
Nicholas Leeder	Independent Non-Executive Director
Moni Mannings	Independent Non-Executive Director
David Robbie	Independent Non-Executive Director

The business address of each Director is Hangar 89, London Luton Airport, Luton, Bedfordshire, LU2 9PF, United Kingdom.

A short biography for each Director is set out below. Further information on the Directors, including the companies of which each of the Directors has been a director at any time in the past five years, is set out in paragraph 7.1 of Part XVII (*Additional Information*) of this document.

John Barton, Non-Executive Chairman

John was appointed to the Board on 1 May 2013 as Chairman. John has significant board experience having previously served as Chairman of Next plc, Catlin Group Limited, Cable and Wireless Worldwide plc, Brit Holdings plc and Wellington Underwriting plc. He was previously Senior Independent Director of Luceco plc, WH Smith plc, Hammerson plc and SSP Group plc. He was also the Chief Executive of insurance broker JIB Group plc. After JIB's merger with Lloyd Thompson, he became Chairman of the combined Group, Jardine Lloyd Thompson Group plc, until 2001. John is a qualified chartered accountant and has an MBA from Strathclyde University.

From 1 July 2020 John was appointed Chairman of Ted Baker plc and is a Non-Executive Director of Matheson & Co Ltd.

On 23 August 2021, the Company announced that Stephen Hester will succeed John Barton as the Company's Chairman on 1 December 2021, at which point John Barton will stand down from the Board.

Johan Lundgren, Chief Executive Officer

Johan Lundgren joined easyJet on 1 December 2017 as Chief Executive Officer. He has more than 30 years' experience working in the travel industry, starting his career as a tour guide and occupying various roles in travel marketing and sales. Prior to joining easyJet in December 2017 as Chief Executive, Johan was the Group Deputy Chief Executive Officer and Chief Executive Officer of Mainstream Tourism at TUI AG. Prior to this Johan was the Managing Director for the Northern Region at TUI Travel plc from 2007 until 2011. From 2003 until 2007, he was the Managing Director and Chief Executive Officer of TUI Nordic. Johan led MyTravel's businesses out of Canada and Sweden between 1999 and 2003, prior to which he was Managing Director of Always Tour Operations from 1996.

Kenton Jarvis, Chief Financial Officer

Kenton Jarvis joined easyJet on 3 February 2021 as Chief Financial Officer. He has more than 20 years' experience working in the travel industry was previously CEO of Aviation, and Business Improvement Director—Markets, at TUI Group, having held a number of senior group and divisional finance roles at TUI since 2003. Before joining TUI, Kenton was the Finance Director of Airtours

Holidays and held a number of commercial finance roles at Adidas, prior to which he qualified as a chartered accountant with PwC.

Julie Southern, Senior Independent Director

Julie was appointed to the Board as an Independent Non-Executive Director on 1 August 2018. Julie became Senior Independent Director on 5 August 2020. Julie has significant board experience and has held a number of commercially oriented finance and related roles during her career. She was Chief Commercial Officer of Virgin Atlantic Limited between 2010 and 2013, responsible for the commercial strategy of Virgin Atlantic Airways and Virgin Holidays. Prior to this, Julie was Chief Financial Officer of Virgin Atlantic Limited for 10 years. In addition, Julie was previously Group Finance Director at Porsche Cars Great Britain and Finance and Operations Director at WH Smith—HJ Chapman & Co. Ltd. She was previously the Non-Executive Director of Stagecoach Group plc, Gategroup AG, Cineworld plc and DFS Furniture plc. Julie holds a BA (Hons.) in Economics from the University of Cambridge and is a qualified chartered accountant.

Julie is a Non-Executive Director and Chair of the Audit Committee and member of the Remuneration Committee of Rentokil Initial plc and NXP Semi-Conductors N.V., Non-Executive Director, Chair of the Audit Committee and member of the Remuneration Committee at Ocado plc.

Stephen Hester, Non-Executive Chairman Designate

Stephen was appointed to the Board on 1 September 2021. Stephen has more than 35 years of wide-ranging experience at major businesses, bringing a strong track record of value creation and listed board experience. Stephen has served as Chief Executive of RSA Insurance Group plc from February 2014 to May 2021, as Chief Executive of Royal Bank of Scotland Group, Chief Executive of British Land plc and Chief Operating Officer of Abbey National plc, as well as holding a number of senior executive roles at Credit Suisse First Boston in London and New York. He currently serves as a Senior Independent Director of Centrica plc having previously held a senior non-executive position as Deputy Chairman of Northern Rock.

On 23 August 2021, the Company announced that Stephen Hester will succeed John Barton as the Company's Chairman on 1 December 2021, at which point John Barton will stand down from the Board.

Dr Andreas Bierwirth, Independent Non-Executive Director

Andreas was appointed to the Board on 22 July 2014. He has previously served as a Director and Chief Commercial Officer at Austrian Airlines AG. Andreas also served as Vice President of Marketing at Deutsche Lufthansa AG (Frankfurt) and Chairman of the Supervisory Board at T-Mobile Polska SA. Prior to this, Andreas was firstly Deputy Managing Director and later Managing Director at Germanwings.

Andreas is the Chief Executive Officer of Magenta Telekom (formerly T-Mobile Austria), Chairman of the Supervisory Board of Do&Co AG and Member of the Supervisory Board of Telekom Deutschland GmbH.

Catherine Bradley CBE, Independent Non-Executive Director

Catherine was appointed to the Board on 1 January 2020. She held a number of senior finance roles for 33 years in investment banking and risk management, in the United States, then the United Kingdom and finally Asia, starting with Merrill Lynch for ten years. Latterly she joined Credit Suisse as Managing Director for 9 years, first in London since 2003 as Head of Client Coverage and then in Hong Kong from 2008 to 2012 as Head of Equity-Linked Solutions Group for Asia-Pacific. She finished that phase of her career as Head of Advisory Global Markets with Société Générale Asia until 2014. From 2014 until July 2020, she was a Non-Executive Director of the UK Financial Conduct Authority and Chair of its Audit Committee. She was also a Non-Executive Director of WS Atkins plc from 2015 until its delisting in 2017, and a Member of the Supervisory Board, Chair of the Finance and Audit Committee, and member of the Appointments, Compensation and Governance Committee of Peugeot S.A. from 2016 to 2021 when it merged with Fiat Chrysler. Catherine graduated from HEC Paris with a major in Finance and International Economics, and was awarded a CBE in 2019.

Catherine is a Non-Executive Director of Johnson Electric Holdings Limited and Senior Independent Director of Kingfisher plc. She is also a Board Member of the Value Reporting Foundation (previously the International Integrated Reporting Council).

Nicholas Leeder, Independent Non-Executive Director

Nick was appointed to the Board on 1 January 2019. Nick has substantial leadership experience with deep expertise of print to digital business transformation within the media sector. Nick has spent the last eight years leading Google’s businesses in Australia, New Zealand and France before moving to Ireland. Prior to Google, Nick was at News Corporation, firstly as Chief Operating Officer of News Digital Media and latterly as Deputy Chief Executive of national broadsheet newspaper, ‘The Australian’. Before that he was Chief Operating Officer of newspaper group, Fairfax Digital. He has a degree in pure mathematics from University of Sydney and an MBA from Insead.

Nick is Vice President at Google Ireland, EMEA Headquarters.

Moni Mannings, Independent Non-Executive Director

Moni was appointed to the Board on 6 August 2020. She held a number of non-executive positions, including as a Board member of the Solicitors Regulation Authority (chairing its Equality, Diversity and Inclusion Committee) and at Cranfield University. Until 2017, Moni was Chief Operating Officer of Aistemos Limited, a leading IP data analytics and strategy company. From 2000 until 2016, Moni was a Partner and Head of the International Banking and Finance Division of Olswang LLP, before which she held senior positions with Dewey & LeBoeuf LLP, Simmons & Simmons and Clifford Chance LLP. Moni also served as a non-executive director of Polypipe Group plc (2014 to 2019) and Dairy Crest Group plc (2017 until their acquisition and delisting in 2019).

Moni currently serves as an independent non-executive director of Hargreaves Lansdown plc, Breedon Group plc and Investec Bank plc and is also Deputy Chair of the charity Barnardo’s.

David Robbie, Independent Non-Executive Director

David was appointed to the Board on 17 November 2020. He has significant international corporate finance experience. He was Finance Director of Rexam PLC from 2005 until its £4.3 billion acquisition by Ball Corporation in 2016. Prior to his role at Rexam, David served in senior finance roles at BTR plc (now Invensys plc) before becoming Group Finance Director at CMG plc in 2000 and then Chief Financial Officer at Royal P&O Nedlloyd N.V. in 2004. He served as Senior Independent Director and Chair of the Audit Committee of FirstGroup plc from 2018 to 2021, and a non-executive director and Chair of the Audit Committee of the BBC between 2006 and 2010. David qualified as a chartered accountant at KPMG.

David currently serves as an independent non-executive director and Chair of the Audit Committee at DS Smith plc.

2. Senior Managers

The Senior Managers of the Company as at the date of this document and their respective roles are set out below:

<u>Name</u>	<u>Position</u>
Peter Bellew	Chief Operating Officer
Ella Bennett	Group People Director
Stuart Birrell	Chief Data and Information Officer
Maaïke de Bie	Group General Counsel and Company Secretary
Sophie Dekkers	Chief Commercial Officer
Thomas Haagensen	Group Markets & Marketing Director
Garry Wilson	Chief Executive Officer, easyJet Holidays

The business address of each Senior Manager is Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, United Kingdom.

A short biography for each Senior Manager is set out below. Further information on the Senior Managers, including the companies of which each of the Senior Managers has been a director at any

time in the past five years, is set out in paragraph 7.1 of Part XVII (*Additional Information*) of this document.

Peter Bellew, Chief Operating Officer

Peter has a wealth of experience across commercial and operational roles in both low-cost and full service airlines. Peter joined easyJet from Ryanair, where he was Chief Operations Officer responsible for all aspects of Ryanair's flight operations, leading an international workforce of 18,000 and working with HR to build relationships with European trade unions. Prior to this, Peter was at Malaysia Airlines for two years, latterly as the Chief Executive Officer, and before that he worked at Ryanair for nine years, where he held a number of roles including Head of Sales & Marketing and Director of Flight Operations.

Ella Bennett, Group People Director

Ella is a skilled Group HR Director with strong experience in the United Kingdom and internationally in lean and digital transformation, large scale change, and talent development and reward. Ella joined easyJet from Sainsbury's/Argos, where she led the integration of their non-food business to create a multiproduct, multi-channel business with fast delivery networks. Ella was also Group HR Director at Home Retail Group, leading the people aspects of Argos' digital transformation. Prior to this she was a member of the executive management team at Fujitsu. She earned her BA (Hons) in English Literature from the University of Bristol and her Master's Degree from the University of London.

Stuart Birrell, Chief Data and Information Officer

Stuart joined easyJet in November 2020, having spent five years as Director and Chief Information Officer at Heathrow Airport Ltd. He previously held the role of CIO at Formula 1's McLaren Technology Group where he worked in the high-performance environment building a team of in-house experts and specialist suppliers. Prior to that he spent three years at Gatwick Airport where he successfully separated the airport systems from BAA and brought improvements to complex IT foundations and transformation processes. Stuart brings with him significant experience and expertise in IT security, cloud-based solutions, big data sets and technology to support business expansion.

Maaïke de Bie, Group General Counsel and Company Secretary

Maaïke is an experienced international lawyer with over 25 years' practical experience in a variety of sectors. Maaïke joined easyJet in June 2019 from Royal Mail plc where she was Group General Counsel accountable for all legal, compliance, claims management, security and information governance matters. Prior to Royal Mail, Maaïke was a Legal Director and part of the governance body of EY LLP. Maaïke also spent six years with General Electric, of which five years were as General Counsel for one of its capital companies in EMEA, before being promoted to the headquarters of GE Capital in Europe to lead the improvement of enterprise risk management and corporate governance across EMEA. She has also held senior international legal positions at the European Bank for Reconstruction and Development LLP in London and White & Case LLP in New York.

Sophie Dekkers, Chief Commercial Officer

Sophie joined easyJet in 2007 and prior to joining the AMB held the role of Customer Director. Prior to this she was Director of Scheduling for the airline, implementing systems and process improvements. She has also led easyJet in the United Kingdom as Country Director for 5 years, where she was responsible for driving the airline's commercial success and strategic direction in the United Kingdom as well as representing aviation at both House of Lords and House of Commons Select Committees. Previous roles in the airline include Head of Change Management and Customer Insight, with a background in customer insight working with a range of brands from Jaguar Land Rover to Mars, Unilever and Vodafone. Sophie is easyJet's business lead on Diversity & Inclusion, a qualified MindGym coach, business mentor, and a founding member of easyJet's Women's Network. Sophie is also a Non-Executive Director of Airport Co-ordination Limited and sits on their Remuneration and Nomination Committees.

Thomas Haagensen, Group Marketing and Market's Director

Thomas has over 20 years' experience in operations management gained in a variety of roles across Europe. Danish, born and educated in Switzerland, Thomas began his career with Tetra Pak working his way up to Regional Manager of the East Mediterranean where he developed and succeeded in implementing ambitious growth and profitability improvement plans. After joining easyJet in 2008, Thomas significantly grew the Swiss market, developed easyJet's market entry strategy for Germany, and developed the business traveller segment in Northern Europe. Most recently he was appointed Managing Director of easyJet Europe, establishing the Company's Austrian AOC—a key part of its Brexit migration plan—and managed the transition of 100 aircraft to easyJet Europe. Thomas holds a degree in Business Administration with a focus on management and marketing from the University of Lausanne.

Garry Wilson, Chief Executive Officer easyJet Holidays

Garry is a highly experienced commercial leader working across international organisations, and has over 21 years' experience in the holiday and travel sector. He joined the business from TUI Group where he most recently held the role of Managing Director for Group Product and Purchasing, leading commercial strategies across a number of markets and heading a global team across 20 countries. Prior to this, Garry worked in a number of senior commercial roles at TUI Group. He also held the position of Director of Europe, Middle East and Africa for American travel group Orbitz Worldwide (now Expedia Inc.). Garry has worked extensively with overseas governments, PwC and the Travel Foundation to create sustainable tourism policies to promote major economic growth and positive social change whilst minimising negative environmental impact. He holds a BCom (Hons) degree in Business Management and Languages from the University of Edinburgh.

3. Directors' and Senior Managers' Interests

Details of the interests of each Director and Senior Manager are set out in paragraph 7.2 of Part XVII (*Additional Information*) of this document.

4. Corporate governance

4.1 Compliance with the UK Corporate Governance Code

The UK Corporate Governance Code published in July 2018, (the "**UK Corporate Governance Code**"), sets out the standards of good practice in relation to how a company should be directed and governed. The Board is committed to the highest standards of corporate governance and complies in full with the UK Corporate Governance Code. The Board also takes account of institutional shareholder and governance rules and guidance on disclosure and shareholder authorisations. The Board meets regularly and typically holds 10 scheduled meetings a year and may meet at other times at the request of one or more of the Directors.

4.2 Board composition

The Group is controlled through the Board, which currently comprises 10 Directors: the Non-Executive Chairman, two Executive Directors and seven Non-Executive Directors. The Board is responsible for promoting the long-term sustainable success of the Group, generating value for shareholders as a whole and contributing to the wider society by fulfilling its purpose. The Board provides effective leadership by the setting strategic priorities of the Group and overseeing management's execution of the strategy in a way that is aligned with the Group's culture and enables sustainable strategic long-term growth, whilst maintaining a balanced approach to risk within a framework of effective controls and taking into account the interests of a diverse range of stakeholders.

The UK Corporate Governance Code recommends that at least half the board of directors of a UK listed company, excluding its chair, should comprise non-executive directors determined by the board to be independent. Over half of the Board (excluding the Chairman) are deemed independent Non-Executive Directors and the composition of all Board Committees complies with the UK Corporate Governance Code. Additionally, the Board considers that the Chairman was independent on his appointment.

The independence of the Non-Executive Directors is considered by the Board and reviewed on an annual basis, as part of the Board effectiveness review. The Board considers factors such as length of

tenure and relationships or circumstances that are likely to affect, or appear to affect, the Directors' judgement, in determining whether they remain independent.

The UK Corporate Governance Code further recommends that the board of directors of a company with a premium listing on the Official List should appoint one of the non-executive directors to be the Senior Independent Director to provide a sounding board for the Chairman and to serve as an intermediary for the other Directors when necessary. The Senior Independent Director is Julie Southern, who is also available to address Shareholders' concerns that have not been resolved through the normal channels of communication with the Chairman, Chief Executive or other Executive Directors.

4.3 Board committees

As required by the UK Corporate Governance Code the Board has established an Audit Committee, a Remuneration Committee and a Nominations Committee, with formally delegated duties and responsibilities and with written terms of reference. Additionally, the Board has established a Safety Committee and Finance Committee.

The members of each committee are as follows:

<u>Name</u>	<u>Chair</u>	<u>Members</u>
Audit Committee	Julie Southern	Catherine Bradley CBE David Robbie
Remuneration Committee	Moni Mannings	Julie Southern David Robbie
Nominations Committee	John Barton	Julie Southern Catherine Bradley CBE Nicholas Leeder Stephen Hester
Safety Committee	Dr Andreas Bierwirth	Nicholas Leeder Julie Southern
Finance Committee	Catherine Bradley CBE	Dr Andreas Bierwirth David Robbie

Audit Committee

The Audit Committee is appointed by the Board and comprises at least three members, all of whom must be independent Non-Executive Directors. At least one member must have recent and relevant financial experience. The committee chair is appointed by the Board and in the absence of the committee chair the members present elect one of their number to chair the meeting. The committee chair must be an independent Non-Executive Director. The committee meets at least four times a year at appropriate times in the reporting and audit cycle and at such other times as required.

The role of the Audit Committee is to monitor the integrity of the Company's financial statements and review and, when appropriate, make recommendations to the Board on business risks, internal controls and compliance. It is also responsible for making recommendations to the Board on the appointment of, and fees to be paid to, the Company's external auditors.

Remuneration Committee

The Remuneration Committee is appointed by the Board and comprises at least three members, all of whom must be independent Non-Executive Directors. The quorum is any two members of the committee. The committee chair is appointed by the Board and in the absence of the committee chair the members present elect one of their number to chair the meeting. The committee meets at least twice a year and at such other times as required.

The role of the Remuneration Committee is to set remuneration for all Executive Directors, the Chairman and the Airline Management Board, including pension rights and any compensation payments. The committee oversees remuneration and workplace policies and take these into account when setting the policy for Directors' remuneration.

Nominations Committee

The Nominations Committee is appointed by the Board and comprises at least three members, a majority of whom must be independent Non-Executive Directors (including the Chair). The quorum is any two members of the committee, which may include the Non-Executive Chairman. The committee chair is either the Non-Executive Chairman or an independent Non-Executive Director, and in the absence of the committee chair the members present will elect one of their number who would qualify to be the committee chair to chair the meeting. The committee meets at least twice a year and at such other times as required.

The main purpose of the Nomination Committee is to monitor and maintain an appropriate balance of skills, experience, independence and diversity on the Board whilst regularly reviewing its structure, size and composition. It is also responsible for ensuring there is a formal, rigorous and transparent process for the appointment of new Directors to the Board.

Safety Committee

The Safety Committee is appointed by the Board and comprises at least three members, at least two of whom must be independent Non-Executive Directors. The quorum is any two members of the committee. The committee chair is appointed by the Board, and in the absence of the committee chair the members present will elect one of their number who would qualify to be the committee chair to chair the meeting. The committee meets at least four times a year at appropriate times in the reporting and audit cycle and at such other times as required.

The Safety Committee continues to oversee the quality and effectiveness of all of the Group's safety strategies, standards, policies and initiatives, together with risk exposures, targets and performance, in order to ensure that safety consistently receives the highest level of Board attention.

Finance Committee

The Finance Committee is appointed by the Board and comprises at least three members, all of whom must be independent Non-Executive Directors. The quorum is any two members of the committee. The committee chair is appointed by the Board, and in the absence of the committee chair the members present will elect one of their number who would qualify to be the committee chair to chair the meeting. The committee meets at least twice times a year and at such other times as required.

The Finance Committee's key role is to review and monitor the Group's treasury policies, treasury operations and funding activities along with associated risks. It is responsible for regulating the treasury activities of the Company and controlling the associated risks, determining and approving material inter-company distributions, and changes to share warehousing policies and loan facility arrangements. The committee is also responsible for providing approvals in relation to hedging, International Swaps and Derivatives Association (ISDA) arrangements, letters of credit, guarantees in line with the delegated authority and the Treasury Policy.

PART XII
SELECTED FINANCIAL AND OTHER INFORMATION

The following tables present selected financial and other information of the Group as at the dates and for the periods indicated, which have been extracted without material adjustment from the Financial Statements. The following information should be read in conjunction with the section entitled “Presentation of Financial and Other Information” in Part III (*Important Information*) and Part XIV (*Operating and Financial Review*) of this document, as well as the portions of the easyJet Half-Year Results 2021, the easyJet Annual Report 2020, the easyJet Annual Report 2019 and the easyJet Annual Report 2018 incorporated by reference into this document as set out in Part XVIII (*Documentation Incorporated by Reference*) of this document.

1. Selected Consolidated Income Statement Information

	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018 ⁽¹⁾
	(unaudited)		(audited)		
	(£million)				
Passenger revenue	170	1,833	2,303	5,009	4,688
Ancillary revenue	70	549	706	1,376	1,210
Total revenue	240	2,382	3,009	6,385	5,898
Fuel	(97)	(534)	(721)	(1,416)	(1,184)
Airports, ground handling and other operating costs	(86)	(715)	(938)	(1,845)	(1,649)
Crew	(224)	(398)	(629)	(859)	(761)
Navigation	(25)	(152)	(206)	(409)	(400)
Maintenance	(109)	(191)	(278)	(302)	(335)
Selling and marketing	(17)	(78)	(107)	(157)	(143)
Other costs	(141)	(240)	(511)	(456)	(600)
Other income	75	15	23	29	13
EBITDAR	(384)	89	(358)	970	839
Aircraft dry leasing	(2)	—	(1)	(5)	(162)
Impairment	—	—	(37)	—	—
Depreciation	(204)	(254)	(485)	(484)	(199)
Amortisation of intangible assets	(11)	(8)	(18)	(15)	(15)
Operating (loss)/profit	(601)	(173)	(899)	466	463
Net finance (charges)/income	(44)	(180)	(374)	(36)	(18)
(Loss)/profit before tax	(645)	(353)	(1,273)	430	445
Tax (charge)/credit	96	29	194	(81)	(87)
(Loss)/profit for the period	(549)	(324)	(1,079)	349	358

(1) Selected consolidated income statement information for the year ended 30 September 2018 does not include the impact of IFRS 15, IFRS 16 and IFRS 9.

2. Selected Consolidated Balance Sheet Information

	As at 31 March	As at 30 September		
	2021 (unaudited)	2020	2019 (audited)	2018
		(£ million)		
Assets				
Goodwill	365	365	365	365
Other intangible assets	224	232	196	181
Property, plant and equipment	4,811	5,053	5,163	4,140
Derivative financial instruments	104	89	126	175
Equity investment	33	33	48	—
Restricted cash	4	5	4	11
Other non-current assets	137	133	142	122
Non-current assets	5,678	5,910	6,044	4,994
Trade and other receivables	150	193	302 ⁽¹⁾	406
Intangible assets	100	12	70 ⁽¹⁾	—
Derivative financial instruments	33	21	147	220
Current tax assets	3	7	24	—
Restricted cash	9	14	—	—
Money market deposits	—	32	291	348
Cash and cash equivalents	2,335	2,284	1,285	1,025
Current assets	2,630	2,563	2,119	1,999
Total assets	8,308	8,473	8,163	6,993
Liabilities				
Trade and other payables	(801)	(1,242)	(1,050)	(1,023)
Unearned revenue	(609)	(614)	(1,069)	(877)
Borrowings	(300)	(987)	—	(9)
Lease liabilities	(194)	(224)	(219)	—
Derivative financial instruments	(129)	(352)	(138)	(24)
Current tax payable	—	—	—	(9)
Provisions for liabilities and charges	(307)	(407)	(192)	(118)
Current liabilities	(2,340)	(3,826)	(2,668)	(2,060)
Borrowings	(3,023)	(1,744)	(1,324)	(968)
Lease liabilities	(833)	(486)	(359)	—
Derivative financial instruments	(66)	(85)	(72)	(7)
Non-current deferred income	(4)	(5)	(6)	(18)
Post-employment benefit obligations	(37)	(45)	(47)	(29)
Provisions for liabilities and charges	(361)	(332)	(397)	(335)
Deferred tax	(9)	(51)	(305)	(343)
Non-current liabilities	(4,386)	(2,748)	(2,510)	(1,700)
Total liabilities	(6,726)	(6,574)	(5,178)	(3,760)
Net assets	1,582	1,899	2,985	3,233
Equity				
Share capital	125	125	108	108
Share premium	1,051	1,051	659	659
Hedging reserve	(8)	(236)	(4)	299
Cost of hedging reserve	(1)	1	8	—
Translation reserve	1	(2)	(1)	1
Retained earnings	414	960	2,215	2,166
Total equity	1,582	1,899	2,985	3,233

(1) As detailed in Note 1 to the 2020 Annual Financial Statements, following the Group's introduction of a voluntary carbon offset policy in November 2019 to offset emissions from its flights, the Group reviewed the presentation of assets held to settle this liability and to settle the requirements under the EU ETS. As a result of this review, the EU ETS asset balance was reclassified from trade and other receivables to current intangible assets in the comparative balance sheet as at 30 September 2019 to be consistent with the presentation of the balance sheet information as at 30 September 2020.

3. Selected Consolidated Statement of Cash Flows Information

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019 (audited)	2018
	(£ million)				
Cash flows from operating activities					
Cash (used in)/generated from operations	(1,118)	472	(542)	1,098	1,215
Ordinary dividends paid	—	(174)	(174)	(233)	(162)
Interest and other financing charges paid	(71)	(25)	(71)	(58)	(29)
Interest and other financing income received	—	34	12	12	11
Net tax received/(paid)	(5)	(20)	13	(58)	(74)
Net cash (used in)/generated from operating activities	(1,194)	287	(762)	761	961
Cash flows from investing activities					
Purchase of property, plant and equipment	(71)	(392)	(659)	(954)	(931)
Purchase of intangible assets	(2)	(60)	(36)	(30)	(81)
Net increase in money market deposits	32	118	259	52	269
Net proceeds from sale and leaseback of aircraft	810	114	702	121	106
Net cash (used in)/generated from investing activities	769	(220)	266	(811)	(637)
Cash flows from financing activities					
Net proceeds from issue of ordinary share capital	—	—	409	—	—
Purchase of own shares for employee share schemes	(3)	(6)	(7)	(16)	(17)
Proceeds from debt financing	1,804	—	1,399	443	—
Repayment of bank loans and other borrowings	(1,043)	—	—	—	—
Repayment of capital element of leases	(174)	(111)	(230)	(174)	(6)
(Increase)/decrease in restricted cash	6	—	(15)	7	(4)
Net cash (used in)/generated from financing activities	590	(117)	1,556	260	(27)
Effect of exchange rate changes	(114)	(19)	(61)	50	17
Net (decrease)/increase in cash and cash equivalents	51	(69)	999	260	314
Cash and cash equivalents at beginning of period	2,284	1,285	1,285	1,025	711
Cash and cash equivalents at end of period	2,335	1,216	2,284	1,285	1,025

4. Key Performance Indicators

	As at and for six months ended 31 March		As at and for year ended 30 September		
	2021 (unaudited)	2020	2020	2019 (audited)	2018
Capex (£ million) ⁽¹⁾	737	(338)	(7)	863	906
Total liquidity (£ million) ⁽²⁾	2,929	2,466	2,466	2,133	2,156
Minimum liquidity requirement (£ million) ⁽³⁾	1,524	1,545	1,574	1,505	1,411
Unrestricted cash (£ million) ⁽⁴⁾	2,335	2,316	2,316	1,576	1,373
Headline EBITDAR (£ million) ⁽⁵⁾	(469)	88	(273)	970	961
Airline revenue per seat (£ per seat) ⁽⁶⁾	36.9	55.6	54.4	60.8	61.9
Airline headline cost per seat excluding fuel at constant currency (£ per seat) ⁽⁷⁾	133.1	47.2	(55.9)	43.3	43.4
Headline (loss)/profit before tax per seat (£ per seat) ⁽⁸⁾	(108.1)	(4.2)	(14.7)	4.1	6.1
Headline (loss)/earnings per share (pence per share) ⁽⁹⁾	(126.9)	(49.4)	(178.1)	88.7	118.3
Headline (loss)/return on capital employed (%) ⁽¹⁰⁾	(16.8)	(4.8)	(19.9)	11.4	14.6
Net (debt)/cash ⁽¹¹⁾	(2,015)	(467)	(1,125)	(326)	396
Customer satisfaction (%) ⁽¹²⁾	80	77	75	74	75
On-time performance (%) ⁽¹³⁾	94	81	84	75	75
CO ₂ emissions per passenger kilometre (grammes per passenger kilometre) ⁽¹⁴⁾	69.7	83.6	70.8	70.4	71.6

(1) Capex represents net cash used by or generated from investing activities, excluding money market deposits. For a reconciliation of capex to the closest comparable IFRS measure, see the section entitled "Presentation of Financial and Other Information" in Part III (Important Information) of this document.

- (2) Total liquidity represents cash and cash equivalents, money market deposits, undrawn credit facilities and insurance policies (balances held in currencies other than pounds sterling are translated at the spot rates prevailing at the respective balance sheet dates). For a reconciliation of total liquidity to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (3) Minimum liquidity requirement represents the number of seats in the Group's fleet (including dry leases), multiplied by £2.6 million divided by 100. Minimum liquidity requirement is unaudited.
- (4) Unrestricted cash represents cash and cash equivalents and money market deposits. For a reconciliation of unrestricted cash to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (5) Headline EBITDAR represents headline earnings before interest, taxes, depreciation, amortisation and profit or loss on disposal of aircraft held for sale. For a reconciliation of headline EBITDAR to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (6) Airline revenue per seat represents total revenue divided by the number of seats flown in the period. For a reconciliation of airline revenue per seat to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (7) Airline headline cost per seat excluding fuel at constant currency represents headline total revenue, less profit before tax, plus fuel costs, divided by the number of seats flown in the period, presented on a constant currency basis. For a reconciliation of airline headline cost per seat excluding fuel at constant currency to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (8) Headline (loss)/profit before tax per seat represents headline (loss)/profit before tax divided by the number of seats flown in the period. For a reconciliation of headline (loss)/profit before tax per seat to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (9) Headline (loss)/earnings per share represents headline (loss)/profit after tax, divided by the weighted average number of shares in issue during the period (adjusted for shares held in employee benefits trusts). For a reconciliation of headline (loss)/earnings per share to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (10) Headline (loss)/return on capital employed represents adjusted headline operating (loss)/profit after tax, divided by capital employed. For a reconciliation of headline return on capital employed to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (11) Net (debt)/cash represents cash and cash equivalents and money market deposits, less borrowings and lease liabilities. For a reconciliation of net (debt)/cash to the closest comparable IFRS measure, see the section entitled "*Presentation of Financial and Other Information*" in Part III (*Important Information*) of this document.
- (12) Customer satisfaction represents the results of a customer satisfaction survey measuring how satisfied the customer was with their most recent flight.
- (13) On-time performance represents the percentage of flights which arrive within 15 minutes of the scheduled arrival time.
- (14) CO₂ emissions per passenger kilometre represents the amount of carbon dioxide which is produced for each passenger, for each kilometre they fly with the Group.

PART XIII
HISTORICAL FINANCIAL INFORMATION

The following documents, which have been previously published and filed with the FCA and which are available for inspection in accordance with paragraph 21 of Part XVII (*Additional Information*) of this document and are incorporated by reference into this document as set out in Part XVIII (*Documentation Incorporated by Reference*) of this document, contain information which is relevant to this Part XIII:

<u>Reference</u>	<u>Information incorporated by reference</u>	<u>Page number(s)</u>
<i>For the six months ended 31 March 2021</i>		
easyJet Half-Year Results 2021	Independent Auditor Review Report	48-50
	Consolidated Income Statement	28
	Consolidated Statement of Comprehensive Income	29
	Consolidated Statement of Financial Position	30
	Consolidated Statement of Changes in Equity	32
	Consolidated Statement of Cash Flows	31
	Notes to the Financial Statements	33-47
<i>For the year ended 30 September 2020</i>		
easyJet Annual Report 2020	Independent Auditors' Report	133-141
	Consolidated Income Statement	142
	Consolidated Statement of Comprehensive Income	143
	Consolidated Statement of Financial Position	144
	Company Statement of Financial Position	184
	Consolidated Statement of Changes in Equity	145
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	Consolidated Statement of Cash Flows	146
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<i>For the year ended 30 September 2019</i>		
easyJet Annual Report 2019	Independent Auditors' Report	121-127
	Consolidated Income Statement	128
	Consolidated Statement of Comprehensive Income	129
	Company Statement of Financial Position	174
	Consolidated Statement of Financial Position	130
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	Consolidated Statement of Changes in Equity	131
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	Consolidated Statement of Cash Flows	132
	Notes to the Accounts	133-173
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<i>For the year ended 30 September 2018</i>		
easyJet Annual Report 2018	Independent Auditors' Report	111-117
	Consolidated Income Statement	118
	Consolidated Statement of Comprehensive Income	119
	Company Statement of Financial Position	150
	Consolidated Statement of Financial Position	120
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PART XIV OPERATING AND FINANCIAL REVIEW

The following is a discussion of the Group's operating results and financial condition as at and for the six months ended 31 March 2021 and 2020 and as at and for the years ended 30 September 2020, 2019 and 2018. The financial information contained in this operating and financial review has been extracted without material adjustment or derived from the Financial Statements. The 2019 figures included herein have been extracted without material adjustment from the unaudited comparative figures in the 2020 Annual Financial Statements and the 2018 figures included herein have been extracted without material adjustment from the unaudited comparative figures in the 2019 Annual Financial Statements.

You should read this operating and financial review in conjunction with Part XII (Selected Financial and Other Information) and the Financial Statements and related notes thereto which are incorporated by reference in this document. The 2021 Interim Financial Statements have been prepared in accordance with IAS 34 and the Annual Financial Statements have been prepared in accordance with IFRS.

Some of the information and statements contained in the following operating and financial review, including information with respect to the Group's plans and strategies for its business and expected sources of financing, constitute forward-looking statements that involve risk, uncertainties and assumptions. See the section entitled "Forward-looking statements" of Part III (Important information) of this document. The Group's actual results may differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in Part II (Risk Factors) of this document.

1. Overview

The Group is a leading low-cost airline carrier in Europe, focusing on short-haul flights. easyJet is a public limited company whose shares are listed on the LSE, trading commercially as "easyJet". As at 31 March 2021, the Group operated 916 routes with over 330 aircraft, from 154 departure airports, in 35 countries from 30 bases. As at 31 March 2021, the Group had more than 13,000 employees, including over 4,000 pilots and 7,000 cabin crew members.

The Group's strategy leverages a strong network, key market positions, an efficient low-cost model and a well-known brand. By focusing primarily on western and northern Europe, the Group benefits from a potential customer base that has a high propensity to spend. The Directors believe the Group has significant structural advantages in comparison to legacy carriers, allowing the Group to offer customers fares which provide greater value for money. This is achieved through certain strategic initiatives, including its end-to-end holiday offering, its valuable portfolio of slots at primary airports and investments in new fuel efficient aircraft. The Directors believe the Group benefits from a flexible business model, which allowed the Group to react quickly to the COVID-19 pandemic.

The Group is an industry leader in sustainability, being the world's first major airline to operate carbon neutral flying across its network. The Group seeks to minimise carbon emissions across its operations and supports the development of new technologies in this area.

For the six months ended 31 March 2021 and the years ended 30 September 2020, 2019 and 2018, the Group had total revenue of £240 million, £3,009 million, £6,385 million and £5,898 million, respectively. The total number of passengers carried by the Group was 4.1 million, 48.1 million, 96.1 million and 88.5 million for the six months ended 31 March 2021 and the years ended 30 September 2020, 2019 and 2018, respectively.

2. Significant factors affecting results of operation and financial condition

The Directors believe that the following factors have materially affected the Group's results of operations and financial condition during the periods under review and that such factors may continue to affect the Group's results of operations and financial condition in future periods.

2.1 The COVID-19 pandemic

The Group's results of operations and financial condition have been significantly affected by the COVID-19 pandemic, which caused governments and other parties in the United Kingdom, France,

Germany, Switzerland, Italy and the other markets in which the Group operates to impose lockdowns and other restrictions, including significant restrictions on air travel.

Driven primarily by reduced flying as a result of these restrictions on air travel, the Group recorded a loss before tax of £645 million for the six months ended 31 March 2021 (as compared to a loss before tax of £353 million for the six months ended 31 March 2020). The Group recorded a loss before tax of £1,273 million for the year ended 30 September 2020 (as compared to a profit before tax of £430 million for the year ended 30 September 2019). For the same period, the Group recorded an impairment charge of £37 million as a result of placing 34 aircraft, which were nearing the end of their lease term, into storage and not using these aircraft again prior to their return to the lessor. The Group also recorded a £311 million net charge for the year ended 30 September 2020 to cover its jet fuel hedges, as the Group's jet fuel hedges were discontinued after the restrictions on global aviation linked to the COVID-19 pandemic caused a significant decline in jet fuel prices and the Group's hedge ratios exceeded 100% (see "*—Jet fuel prices*" below).

In response to the COVID-19 pandemic, the Group took significant actions to reduce operating costs, defer future fleet deliveries and secure additional funding. As part of its efforts to reduce operating costs, the Group launched a major restructuring and cost-out programme, which included a proposal to reduce headcount by up to 30% across the business (see "*—Operating costs*" below). The Group also deferred the delivery of aircraft under the Group's aircraft purchase agreement with Airbus. Zero aircraft were delivered for the year ended 30 September 2020 and it is expected that zero aircraft and eight aircraft will be delivered for the years ending 30 September 2021 and 2022, respectively. In addition to deferring delivery of additional aircraft, the Group intends to reduce its existing fleet to 307 aircraft during the 2021 financial year (from 330 aircraft as at 31 March 2021) through a combination of lease returns and aircraft sales.

To strengthen its balance sheet, the Group raised over £5,500 million since the beginning of the COVID-19 pandemic from a diversified range of funding sources, including an issuance of ordinary shares raising £409 million in the year ended 30 September 2020, a draw down of US\$1,050 million under the UKEF Facility in January 2021, a bond issuance of €1,200 million under the EMTN Programme in March 2021 and a series of sale and leaseback transactions of over 58 aircraft raising a total of £1,512 million of net proceeds in 2020 and 2021. In April 2020, the Group also issued £600 million of commercial paper under the CCFE funding and drew down US\$500 million under the Revolving Credit Facility and £400 million under the Term Loans. As a result of these events, the Group's net debt increased from £326 million as at 30 September 2019 to £1,125 million as at 30 September 2020 and to £2,015 million as at 31 March 2021. The Group's liquidity per 100 seats as at 31 March 2021 was £5.2 million, which the Group considers to be sufficient headroom under its target liquidity buffer of £2.6 million per 100 seats. Having reviewed this target liquidity buffer and, in particular, having taken into account the impact COVID-19 has had on the industry, it is anticipated that going forward the Group will maintain a minimum liquidity level that is at least equal to unearned revenue plus an appropriate additional margin which will be set by the Board and reviewed on an ongoing basis against prevailing market conditions. The Board expects to set this margin for the financial year ending 30 September 2022 at £500 million. See also "*—Liquidity and capital resources*" below.

The Group's entire fleet was grounded for commercial operations from 31 March 2020 to 15 June 2020 and the Group's ability to operate has been and continues to be severely constrained. The total number of passengers carried by the Group decreased by 50.0% to 48.1 million for the year ended 30 September 2020 from 96.1 million for the year ended 30 September 2019. The total number of passengers carried by the Group decreased by 89.4% to 4.1 million for the six months ended 31 March 2021 from 38.6 million for the six months ended 31 March 2020.

On 15 June 2020, the Group restarted a small-scale flying programme with a focus on profitable, cash-generative flying. However, the reintroduction of widespread quarantine and other restrictive measures in September 2020 eroded consumer confidence and demand for air travel. Since 1 October 2020, the Group has operated a significantly reduced flying schedule as it navigates the ongoing uncertainty caused by the COVID-19 pandemic and associated restrictions on air travel in Europe. See also paragraph 1 ("*—The Group has been materially impacted by the COVID-19 pandemic and measures introduced by governments and other parties to mitigate the spread of the virus. The Group's financial performance for the year ending 30 September 2021 and beyond will be significantly impacted by the speed with which it is able to react to reopening air travel markets. Any extension or imposition of further restrictions on air travel and/or other governmental measures which*

impact demand for air travel would materially impact the Group) of Part II (*Risk Factors*) of this document.

The review report with respect to the 2021 Interim Financial Statements contain a material uncertainty in relation to the Group's ability to obtain sufficient funding in the event that the low levels of flying experienced by the Group in the prior 12 months to the date of the review report were repeated and also impacted forward bookings for the summer of 2022, that could cast significant doubt upon the Group's ability to continue as a going concern as at the date of the review report, which contains an emphasis of matter in respect thereof. As at the date of this document, management's "reasonable worst case" scenario for the next 12 months assumes that COVID-19 restrictions continue up to the end of June 2022, including government lockdowns and international travel bans, which leads to a prolonged recovery period, reduction in revenue yield, lower load factors and a reduction to anticipated number of bookings. As a result, the Directors believe that the COVID-19 pandemic will continue to have a material adverse effect on the Group's results of operations and financial condition for the years ending 30 September 2021 and 2022.

The net proceeds will increase the Group's cash balance and, in doing so, reduce net debt and enhance both the Group's liquidity and financial flexibility whilst there remains forward-looking uncertainty for the aviation sector, in order to ensure that it is well positioned to respond to any ongoing market challenges related to the COVID-19 pandemic. The Directors believe that the net proceeds from the Rights Issue also will provide resilience to the Group from downside risks should evolutions in the COVID-19 pandemic dampen or delay the recovery of passenger volumes over the next 12 months. See also paragraph 2 ("*—Background to, and reasons for, the Rights Issue*") of Part VII (*Details of the Rights Issue*) of this document.

2.2 Customer demand for air travel

The airline industry is generally cyclical, with demand for flights being driven by economic factors which affect consumer spending, such as levels of disposable income, unemployment rates and consumer confidence. The Group's business is also typically subject to seasonal fluctuations, with demand generally increasing during school holidays and periods of warmer weather. Accordingly, the Group has historically reported higher revenue and profitability in the fourth quarter of its financial year as more customers seek to travel during the summer months to leisure destinations.

In recent periods, the lockdowns and travel restrictions imposed by governments across Europe during the COVID-19 pandemic have had a severe impact on the ability and willingness of customers to travel, both for business and for leisure (see "*—The COVID-19 pandemic*" above). However, the Directors believe that short-haul travel is likely to recover more quickly from the effects of the COVID-19 pandemic than long-haul travel. The Directors also believe that leisure travel is likely to rebound more quickly than business travel, as many customers have accumulated savings during the pandemic to spend on leisure travel. In particular, the Directors anticipate that recovery from the pandemic will emerge first through pent up demand for leisure travel as customers book holidays and seek to visit family and friends in short-haul markets where there is likely to be greater alignment in government travel restrictions. The Directors also expect customers to gravitate towards value and short-haul trips, where the perceived risks to customer health and safety and the financial commitment are lower. To capitalise on this expected increase in demand, the Group launched 115 new routes between April and June 2021, covering a range of leisure destinations across the Greek Islands, Egypt, Spain and other countries. The Group continues to monitor the impacts of the COVID-19 pandemic on customer demand and believes that it maintains significant flexibility to increase or decrease capacity quickly in response to the unwinding or re-imposition of travel restrictions and the related impacts on demand. Over the longer term, the Directors believe that the scale and flexibility of the Group's network and its portfolio of attractive slot pairs at primary airports will enable the Group to realign capacity in response to structural changes in the competitive landscape.

In addition to the COVID-19 pandemic, the airline industry has been subject to terrorist threats and attacks, flight safety incidents and extreme weather events in recent years. These events, which negatively affect passenger confidence and increase the costs associated with security and safety precautions, have short-term and longer-term consequences for customer demand and the structure of the airline industry. For example, enhanced passenger screening, increased regulation governing carry-on baggage and other similar restrictions which may be adopted in response to a terrorist threat or attack could increase passenger inconvenience and reduce customer demand for air travel.

In the case of extreme weather events, customers may also become more aware of their carbon footprint and the environmental consequences of air travel. The Directors believe that current and prospective customers are increasingly focused on the carbon impact of different types of transport. Although this shift in customer focus has led and is likely to continue to lead to the adoption of new fleet characteristics and aviation technology (see “—*Environmental and social factors*” below), any significant increase in the popularity of other modes of transport, including train travel, as a result of environmental concerns or other factors would likely have an adverse effect on the Group’s revenue and profitability.

2.3 Cost reduction initiatives

Since the beginning of the COVID-19 pandemic, the Group has taken significant actions to reduce its operating costs and cash burn. These actions include both those taken immediately by the Group in March 2020 in response to the grounding of its fleet and a longer-term cost saving programme that is expected to complete in the year ending 30 September 2021. See also “—*The COVID-19 pandemic*” above.

The Group’s immediate actions to reduce operating costs and cash burn include utilising furlough schemes across relevant European countries (including the United Kingdom), adopting temporary cuts to leadership team pay, removing leadership team and employee bonuses, implementing a recruitment freeze, agreeing two year pay freezes across seven countries, deferring non-essential maintenance, bringing time-critical maintenance tasks in-house, eliminating spending on non-mandatory training, travel, contractors and consultancy services, minimising non-essential project operating and IT capital investment, minimising selling and marketing expenditure, negotiating payment term extensions and using all possible government tax payment extension schemes, deferring aircraft deliveries under the Group’s aircraft purchase agreement with Airbus, storing aircraft and deferring associated maintenance costs and negotiating lease term improvements with lessors.

In addition to these immediate actions, the Group launched a major restructuring and cost-out programme in 2020 to drive down costs in all areas of its business, including crew costs, engineering and maintenance, airport costs and central overheads. Among the 18 major cost initiatives included within this programme, the Group implemented a redundancy scheme with management and crew members, launched an employee consultation process on proposals to reduce staff numbers by up to 30%, agreed part-time and seasonal contracts with the Group’s unions, re-balanced the number of seasonal contracts across the Group’s network, reduced the number of full-time equivalent crew per aircraft in all bases (excluding Italy), reduced base pay in the United Kingdom and other higher-cost jurisdictions and closed the Group’s UK bases in Southend, Stansted and Newcastle. The costs associated with the Group’s restructuring and cost-out programme were recognised as a non-headline charge of £123 million for the year ended 30 September 2020.

As a result of these actions, the Group’s headline costs excluding fuel for the year ended 30 September 2020 decreased by 31.2% to £3,123 million from £4,542 million for the year ended 30 September 2019. The Directors believe that the restructuring and cost-out programme will generate approximately £500 million of savings for the year ending 30 September 2021, improve margins and reduce the impact of seasonality on the Group’s costs and profitability in future periods.

Over the longer-term, the Directors believe that this restructuring and cost-out programme will position the Group to capitalise on the changing structure of the airline industry, which has been accelerated by the COVID-19 pandemic. In particular, full-fare legacy airline carriers are significantly downsizing their operations and undergoing restructuring programmes, in some cases as a condition for receiving state support. For example, TAP Air Portugal is in the process of reducing its short-haul fleet and Eurowings has decreased its flight capacity as part of a restructuring programme which involves the disposal of Germanwings. The Directors believe that these structural changes will present opportunities for the Group and other low-cost carriers to acquire new slots at slot-constrained primary airports and increase their market shares in Europe. See also “—*The Group’s long-term strategic positioning*” of Part VII (*Details of the Rights Issue*) of this document. By reducing costs and cash burn to maintain low fares, the Group aims to emerge from the COVID-19 pandemic in a more competitive position to expand its route network and take advantage of new demand patterns as they arise.

2.4 Jet fuel prices

Jet fuel is one of the largest and most volatile costs which airlines face. Jet fuel prices are influenced by the demand for and the availability of jet fuel, which in turn may be affected by weather-related events, natural disasters, terrorism, war or the threat of war, political disruption or instability involving oil-producing countries, changes in governmental or cartel policy concerning crude oil or jet fuel production, labour strikes or other events affecting refinery production, transportation disruptions, rates of taxation, economic sanctions, fluctuations in foreign exchange rates (in particular with respect to the US dollar), environmental concerns, market manipulation and price speculation. Increases in jet fuel prices may adversely impact the Group's financial performance, operating cash flows and financial position. Fuel represented 10.4% and 19.1% of the Group's headline operating costs for the six months ended 31 March 2021 and the year ended 30 September 2020, respectively.

The price of jet fuel is strongly correlated with the price of crude oil. For the year ended 30 September 2020, the average price of Brent crude oil fell by 27% from US\$66 to US\$48 per barrel. Like many European airlines, the Group enters into derivative contracts to limit its exposure to fluctuations in fuel prices, including foreign exchange forward exchange contracts, jet fuel forward swaps and jet fuel option contracts. Before the outbreak of COVID-19, the Group's jet fuel requirement was 71% hedged for the year ended 30 September 2020 at US\$654 per metric tonne and 51% hedged for the year ending 30 September 2021 at US\$638 per metric tonne.

In March 2020, the Group's normal rolling foreign exchange and commodity hedging policies were temporarily paused as a result of the significant reduction in flying levels caused by the COVID-19 pandemic. The pandemic caused the Group to re-evaluate its future requirements for jet fuel and determine that the Group had hedged more fuel than would be needed during the period covered by the hedges. As a result of this decrease in the Group's forecasted jet fuel exposures, a portion of the Group's derivative contracts was discontinued from hedge accounting. The Group recognised charges of £28 million for the six months ended 31 March 2021 and £311 million for the year ended 30 September 2020 to account for this treatment of the Group's ineffective hedges.

To mitigate fluctuations in fuel and exchange rates, the Group will continue to take a prudent approach to managing risk through hedging instruments. As a result of operational changes across the industry that have been catalysed by the COVID-19 pandemic, the Group anticipates maintaining more flexibility in hedging tenor and volumes in order to adapt to changing capacity brought about by fluctuating demand. Excluding all ineffective hedges, the Group's expected jet fuel requirement for the year ending 30 September 2021 is approximately 77% hedged at US\$605 per metric tonne and its expected jet fuel requirement for the year ending 30 September 2022 is approximately 44% hedged at US\$490 per metric tonne.

2.5 Environmental and social factors

Environmental and social factors have become an area of major concern for the airline industry, affecting both passenger demand and the Group's operating parameters. The Directors believe that customers are increasingly aware of their carbon footprint and that some are considering alternatives to air travel, which accounted for approximately 3% of global carbon emissions as at 30 September 2020 (source: International Energy Agency). This shift in focus has encouraged airlines to invest in new fleet characteristics, technology and development. For example, the Group started to operate the Airbus neo aircraft A320 and A321 in 2017 and 2018, respectively, which are 15% more fuel efficient per seat and 50% quieter during takeoff and landing than their equivalent previous generation aircraft. As at 31 March 2021, these new generation aircraft amounted to 15.5% of the Group's overall fleet and are expected to make up a larger proportion of the Group's fleet in future periods as older aircraft are retired from the fleet.

Management monitors the Group's carbon emissions per passenger kilometre as one of the Group's KPIs. The Group's CO₂ emissions per passenger kilometre were 69.7g, 70.8g, 70.4g and 71.6g for the six months ended 31 March 2021 and the years ended 30 September 2020, 2019 and 2018, respectively.

The Directors believe that the COVID-19 pandemic has caused the Group's customers to increase their focus on sustainability and carbon emissions. As at 31 March 2021, 72% of customers reported that the sustainable behaviour of a company had become a more important factor in a purchase decision since the global outbreak of COVID-19 and customers were 45% more likely to choose the Group over another airline as a direct result of the Group's carbon offsetting policy, representing an

increase of four percentage points as compared to 30 September 2020. As a result of this trend, the Directors believe there has been an acceleration in taxation and regulatory restrictions associated with carbon emissions which may impact customer demand over the longer-term (see “—*Regulation in the aviation industry*” below). The Group has continued to offset the direct carbon emissions (Scopes 1 and 2) of all of its flights throughout the COVID-19 pandemic. The Directors believe that the Group’s offsetting position is a differentiator that will place the Group in a strong competitive position relative to other major airlines in future periods.

2.6 Currency exchange rates

The Group presents its financial statements in pounds sterling. The Group’s investments, liabilities, revenue and costs are denominated and generated in a range of currencies, including pounds sterling, US dollars, euros and Swiss francs. As a result, the Group’s results of operation and cash flows have economic and translational exposure to exchange rate fluctuations. For example, a strong US dollar typically increases the Group’s jet fuel costs, which are denominated in US dollars. A strong euro typically increases the Group’s revenue (54% of the Group’s revenue was generated in euros for the six months ended 31 March 2021, as compared to 47% for the year ended 30 September 2020). The majority of the Group’s borrowings and other monetary liabilities are denominated in US dollars and euros (see “—*Cash and indebtedness*” below). Although the Group partially hedges these liabilities using cross-currency swaps and foreign currency cash and cash equivalents, the Group remains exposed to fluctuations in the exchange rates of both currencies against sterling.

The COVID-19 pandemic has also increased volatility for currency exchange rates, with geographical differences in the vaccine rollout, lockdown restrictions, recovery plans and central bank decisions resulting in continued economic uncertainty. For the six months ended 31 March 2021, the Group recorded a £24 million credit from changes in currency exchange rates, which related to the impact of a stronger sterling on the Group’s foreign currency-denominated liabilities. Any significant extension of the COVID-19 pandemic, or divergence between countries in rates of economic recovery or central bank policies with respect to interest rates and quantitative easing, could increase or prolong volatility in currency exchange rates.

2.7 Airspace management in Europe

The Directors believe that European airspace has been and will continue to be a challenging environment, with various structural inefficiencies. The challenges are due in part to the fragmented jurisdictions of airspace across Europe, a shortage of skilled personnel and (in historical periods) increases in congestion as a result of increases in airline capacity. These factors can result in delays to flights, which may increase flying times and cause increased fuel burn and carbon emissions and adversely affect the customer experience.

Although the reduction in flying levels within Europe during the COVID-19 pandemic has temporarily alleviated these pressures, the Directors expect delays to return in future periods.

2.8 Regulation in the aviation industry

The international and strategic importance of the airline industry, along with its safety and security critical requirements, means that it is subject to a wide range of regulatory controls, including with respect to safety, security, aircraft operations, airline ownership, airport slot allocations, ground handling, competition, airport changes, consumer protection, insurance, environmental protection, air traffic control and general data protection. This regulatory environment has had and will continue to have a significant impact on the Group’s results of operations and financial condition.

The Group’s three pan-European airlines are regulated by Austrocontrol in Austria, the Civil Aviation Authority in the United Kingdom and the FOCA in Switzerland. For further information, see paragraph 12 (“—*Legal and regulatory framework*”) of Part X (*Business Overview of the Group*) of this document. The Group regularly engages with governments, regulators, policy makers, air traffic control operators, airline associations and tourism bodies. In recent periods, this contact has focused on the Group’s efforts around sustainability (see “—*Environmental and social factors*” above) and the travel restrictions and heightened cleanliness and hygiene standards imposed by governments as a result of the COVID-19 pandemic (see “—*The COVID-19 pandemic*” above).

The Group has been a long-term supporter of the EU ETS scheme and all easyJet flights within the EEA, which make up the majority of its flights, are covered by the scheme. Under the EU ETS, the

Group is required to surrender carbon credits on an annual basis to the relevant environmental agencies, relative to the amount of carbon emissions in the period. The Group is required to purchase carbon credits on the open market to fulfil this requirement and is exposed to price movements that can introduce cash flow volatility. As a result of significantly reduced flying during the COVID-19 pandemic, the Group sold some of its purchased carbon credits in March 2020 to realise cash, which resulted in a loss disposal of £12 million for the six months ended 31 March 2020.

In addition to the EU ETS, and the UK ETS, the Group is subject to CORSIA, the global framework for managing aviation carbon through offsetting activities. The Directors believe that aviation within the European Union should remain in the EU ETS and flights to destinations outside the European Union should remain in CORSIA to support global efforts, but with an obligation equivalent to that of the EU ETS. Future policy measures and regulation to mitigate the impact of aviation on climate change could adversely affect the Group's results of operations and financial condition if they impose limitations and additional costs on how the Group operates and the services that it can provide to its customers.

3. Current trading and prospects

In the period since 31 March 2021, the Group has continued to trade in line with management expectations.

As stated in the easyJet Q3 Results 2021, for the three months ended 30 June 2021, the Group had total revenue of £212 million (as compared to £7.2 million for the three months ended 30 June 2020), headline costs of £378 million (as compared to £354.0 million for the three months ended 30 June 2020) and a headline loss before tax of £317 million (as compared to £346.8 million for the three months ended 30 June 2020). The Group paid a further £122 million in customer refunds for the three months ended 30 June 2021, with a cumulative total of £1,200 million in customer refunds since the beginning of the COVID-19 pandemic. The total value of flight vouchers in issuance as at 30 June 2021 was approximately £230 million.

In August 2021, UK domestic capacity was at 105% of 2019 levels with a load factor of 82%, whilst intra-EU capacity was at 81% of 2019 levels with a load factor of 85%, demonstrating the strength of the Group's UK domestic and intra-EU flying schedule.

The Directors expect the Group's capacity in the fourth quarter of 2021 to be approximately 57% of Q4 2019 levels, which is a significant increase compared to Q3 2021, when easyJet flew 17% of Q3 2019 capacity. During Q4 2021, the Company expects to increase capacity allocation and improve expected load factors on both UK domestic and intra-EU flying, with UK domestic capacity already at pre-pandemic levels.

Looking into Q1 2022, the Company currently expects to fly up to 60% of Q1 2019 capacity with a continued focus on profitable flying.

To capitalise on the easing of restrictions for fully vaccinated passengers in the United Kingdom and the expected rebound in customer demand for travel in continental Europe, the Group continues to prioritise its popular routes and seeks to maintain operational flexibility. In the third quarter of 2021, the Group launched eight new routes from EU and Swiss bases to maintain its strong slot portfolio in Greece and 12 new routes in the United Kingdom to further develop its UK domestic leisure portfolio. In 2022, the Group intends to increase the size of its fleet to 317 aircraft to meet the high levels of customer demand expected in the summer of 2022.

Due to uncertain market conditions, customers are currently booking flights much closer to their departure date. As at 30 June 2021, 49% of the Group's fourth quarter schedule was booked (as compared to 65% as at 30 June 2019). In addition, booking rates on flights to or from a UK base were lower than booking rates on intra-EU flights in the third quarter of 2021 due to the ongoing uncertainty around UK government restrictions on travel. The Directors expect customer demand for leisure travel to continue to rebound in the autumn of 2021 as customer savings rates remain high and employees continue to accrue annual leave. The Directors also expect a relatively benign pricing environment in the fourth quarter of 2021.

The Group's restructuring and cost-out programme is on target to deliver approximately £500 million of savings for the year ending 30 September 2021. The Directors believe that this programme will help partially mitigate the expected cost headwinds in ownership costs and navigation charges associated with the Group's return to pre-pandemic flying levels. In addition to the restructuring and cost-out

programme, the Group continues to utilise furlough schemes across Europe. As at 30 June 2021, the Group had unrestricted access to approximately £2.9 billion of liquidity.

4. Results of operations

The following table sets out selected consolidated income statement information for the Group for the periods indicated.

	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018 ⁽¹⁾
	(unaudited)		(audited)		
	(£ million)				
Passenger revenue	170	1,833	2,303	5,009	4,688
Ancillary revenue	70	549	706	1,376	1,210
Total revenue	240	2,382	3,009	6,385	5,898
Fuel	(97)	(534)	(721)	(1,416)	(1,184)
Airports, ground handling and other operating costs	(86)	(715)	(938)	(1,845)	(1,649)
Crew	(224)	(398)	(629)	(859)	(761)
Navigation	(25)	(152)	(206)	(409)	(400)
Maintenance	(109)	(191)	(278)	(302)	(335)
Selling and marketing	(17)	(78)	(107)	(157)	(143)
Other costs	(141)	(240)	(511)	(456)	(600)
Other income	75	15	23	29	13
EBITDAR	(384)	89	(358)	970	839
Aircraft dry leasing	(2)	—	(1)	(5)	(162)
Impairment	—	—	(37)	—	—
Depreciation	(204)	(254)	(485)	(484)	(199)
Amortisation of intangible assets	(11)	(8)	(18)	(15)	(15)
Operating (loss)/profit	(601)	(173)	(899)	466	463
Net finance (charges)/income	(44)	(180)	(374)	(36)	(18)
(Loss)/profit before tax	(645)	(353)	(1,273)	430	445
Tax (charge)/credit	96	29	194	(81)	(87)
(Loss)/profit for the period	(549)	(324)	(1,079)	349	358

(1) Selected consolidated income statement information for the year ended 30 September 2018 does not include the impact of IFRS 15, IFRS 16 and IFRS 9.

4.1 Passenger revenue

Passenger revenue includes revenue from the sale of flight seats and administration fees.

4.1.1 Six months ended 31 March 2021 and 2020

Passenger revenue decreased by 90.7% to £170 million for the six months ended 31 March 2021 from £1,833 million for the six months ended 31 March 2020. The decrease was due primarily to the continued impact of COVID-19 resulting in reduced commercial flying as travel restrictions across Europe were in place, to varying levels, throughout the period.

4.1.2 Years ended 30 September 2020, 2019 and 2018

Passenger revenue decreased by 54.0% to £2,303 million for the year ended 30 September 2020 from £5,009 million for the year ended 30 September 2019, which in turn was an increase of 6.8% from £4,688 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to reduced flying and softer macro-level demand for air travel in the second half of the 2020 financial year, which primarily resulted from the imposition of significant restrictions on travel by European governments in response to the COVID-19 pandemic. As a result of these restrictions, the Group's entire fleet was grounded for

commercial operations from 31 March 2020 to 15 June 2020. In the fourth quarter of 2020, the Group operated at less than 40% of its previously planned capacity.

The increase for the year ended 30 September 2019 was due primarily to an increase of 8.6% in passengers carried by the Group to 96.1 million (from 88.5 million for the year ended 30 September 2018). This increase was offset in part by economic uncertainty in the Group's core markets, including uncertainty surrounding the original date of 29 March 2019 proposed for the United Kingdom to leave the European Union.

4.2 Ancillary revenue

Ancillary revenue includes revenue from the provision of checked baggage, allocated seating and change fees, package holiday revenue and revenue arising from commissions earned from services sold on behalf of the Group's partners and inflight sales.

4.2.1 Six months ended 31 March 2021 and 2020

Ancillary revenue decreased by 87.2% to £70 million for the six months ended 31 March 2021 from £549 million for the six months ended 31 March 2020. The decrease was due primarily to a reduction in passenger volumes, which primarily resulted from the imposition of significant restrictions on travel by European governments in response to the COVID-19 pandemic.

4.2.2 Years ended 30 September 2020, 2019 and 2018

Ancillary revenue decreased by 48.7% to £706 million for the year ended 30 September 2020 from £1,376 million for the year ended 30 September 2019, which in turn was an increase of 13.7% from £1,210 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to a reduction in passenger volumes during the second half of the 2020 financial year, which primarily resulted from the imposition of significant restrictions on travel by European governments in response to the COVID-19 pandemic. As a result of these restrictions, the Group's entire fleet was grounded for commercial operations from 31 March 2020 to 15 June 2020. In the fourth quarter of 2020, the Group operated at less than 40% of its previously planned capacity. Ancillary revenue is recognised when the Group's performance obligation is complete, which is generally when the related flight takes place. As a result, lower passenger volumes have had a direct adverse impact on ancillary revenue.

The increase for the year ended 30 September 2019 was driven mainly by an increase in the number of passengers flown, which grew by 8.6% to 96.1 million as at 30 September 2019 from 88.5 million as at 30 September 2018. This increase offset the loss of revenue which the Group experienced as a result of the adoption of IFRS 15, which caused the Group to recognise administration and change fees on the date of flight rather than the date of booking. This increase was also driven by improved conversion rates and the introduction of new product and pricing initiatives.

4.3 Fuel

Fuel costs include jet fuel, supplier margins and fees and associated into-plane costs, EU ETS, taxes and gains and losses associated with fuel hedge contracts.

4.3.1 Six months ended 31 March 2021 and 2020

Fuel costs decreased by 81.8% to £97 million for the six months ended 31 March 2021 from £534 million for the six months ended 31 March 2020. The decrease was due primarily to reduced flying as a result of the COVID-19 pandemic and a one-off credit of £55 million, which came from the sale of EU ETS credits that resulted in a re-measurement of the Group's EU ETS liability and a reduction in fuel costs for the six months ended 31 March 2020.

4.3.2 Years ended 30 September 2020, 2019 and 2018

Fuel costs decreased by 49.1% to £721 million for the year ended 30 September 2020 from £1,416 million for the year ended 30 September 2019, which in turn was an increase of 19.6% from £1,184 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to reduced flying as a result of the COVID-19 pandemic, as well as an underlying decrease in the market price of fuel. This decrease was offset in part by the operation of the Group's fuel and US dollar hedging, which resulted in an increase of £489 per tonne in the effective fuel price movement for the year ended 30 September 2020 from £458 per tonne for the year ended 30 September 2019.

The increase for the year ended 30 September 2019 was driven mainly by an increase in the number of passengers flown, which grew by 8.6% to 96.1 million as at 30 September 2019 from 88.5 million as at 30 September 2018. In addition, the average effective fuel price movement increased by 5.5% to an actual cost of £458 per tonne for the year ended 30 September 2019 from £434 per tonne for the year ended 30 September 2018. This increase was offset in part by the Group's continued investment in more fuel efficient aircraft.

4.4 Airports, ground handling and other operating costs

Airports, ground handling and other operating costs include the fixed and variable fees charged by airports for the use or lease of airport facilities and fees charged by third-party service providers for ground handling, interrupted trip expenses and other related services and easyJet Holidays direct operating costs. The easyJet Holidays direct operating costs represent all direct operating costs relating to package holidays excluding flight costs, which are eliminated on consolidation.

4.4.1 Six months ended 31 March 2021 and 2020

Airports, ground handling and other operating costs decreased by 88.0% to £86 million for the six months ended 31 March 2021 from £715 million for the six months ended 31 March 2020. The decrease was due primarily to a decrease in the number of passengers flown.

4.4.2 Years ended 30 September 2020, 2019 and 2018

Airports, ground handling and other operating costs decreased by 49.2% to £938 million for the year ended 30 September 2020 from £1,845 million for the year ended 30 September 2019, which in turn was an increase of 11.9% from £1,649 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to reduced flying as a result of the COVID-19 pandemic.

The increase for the year ended 30 September 2019 was due primarily to increased airport charges (which primarily reflected a change in airport mix driven by the integration of operations at the Berlin Tegel airport into the Group's wider route network and continued inflationary increases at regulated airports), which was offset in part by a decrease in other operating costs (which primarily reflected cost savings from the Group's continued focus on airport procurement activity and cost initiatives).

4.5 Crew

Crew costs include salaries, variable pay, bonuses, equity-based compensation and profit sharing paid to employees for their services, as well as related expenses associated with employee benefit plans, pension costs, employer payroll taxes and other employee-related costs. Crew costs also include non-payroll related costs, such as positioning costs and the provision of training, food and uniforms to crew members.

4.5.1 Six months ended 31 March 2021 and 2020

Crew costs decreased by 43.7% to £224 million for the six months ended 31 March 2021 from £398 million for the six months ended 31 March 2020. The decrease was due primarily to reduced flying as a result of the COVID-19 pandemic and the and the Group's receipt of £73 million under staff furlough schemes, which offset crew costs incurred in the period.

4.5.2 Years ended 30 September 2020, 2019 and 2018

Crew costs decreased by 26.8% to £629 million for the year ended 30 September 2020 from £859 million for the year ended 30 September 2019, which in turn was an increase of 12.9% from £761 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to reduced flying as a result of the COVID-19 pandemic and the Group's receipt of £116 million under staff furlough schemes in the United Kingdom, Portugal, Germany, the Netherlands, France, Italy and Switzerland, which offset crew costs incurred in the period.

The increase for the year ended 30 September 2019 was due primarily to agreed inflationary increases in crew and pilot pay, low attrition rates and investment in operational resilience over the 2019 summer peak period.

4.6 Navigation

Navigation costs include the fees charged for the provision of en route air navigation services.

4.6.1 Six months ended 31 March 2021 and 2020

Navigation costs decreased by 83.6% to £25 million for the six months ended 31 March 2021 from £152 million for the six months ended 31 March 2020. The decrease was due primarily to reduced flying as a result of the COVID-19 pandemic.

4.6.2 Years ended 30 September 2020, 2019 and 2018

Navigation costs decreased by 49.6% to £206 million for the year ended 30 September 2020 from £409 million for the year ended 30 September 2019, which in turn was an increase of 2.3% from £400 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to reduced flying as a result of the COVID-19 pandemic.

The increase for the year ended 30 September 2019 was due primarily to increased levels of flying, which were offset in part by a reduction in Eurocontrol rates from January 2019.

4.7 Maintenance

Maintenance costs include the cost of all parts, materials and fees for repairs performed by the Group and its third-party service providers to maintain the fleet.

4.7.1 Six months ended 31 March 2021 and 2020

Maintenance costs decreased by 42.9% to £109 million for the six months ended 31 March 2021 from £191 million for the six months ended 31 March 2020. The decrease was due primarily to reduced flying as a result of the COVID-19 pandemic.

4.7.2 Years ended 30 September 2020, 2019 and 2018

Maintenance costs decreased by 7.9% to £278 million for the year ended 30 September 2020 from £302 million for the year ended 30 September 2019, which in turn was a decrease of 9.9% from £335 million for the year ended 30 September 2018.

The decrease for the year ended 30 September 2020 was due primarily to reduced flying as a result of the COVID-19 pandemic.

The decrease for the year ended 30 September 2019 was due primarily to the reclassification of maintenance provision charges from maintenance to depreciation as a result of the implementation of IFRS 16, which was offset in part by an increase in maintenance costs due to inflationary price rises and unanticipated heavy maintenance findings.

4.8 Other costs

Other costs include administrative and operational costs not reported elsewhere, including some employee costs, compensation paid to passengers and the profit or loss on the disposal of property, plant and equipment.

4.8.1 Six months ended 31 March 2021 and 2020

Other costs decreased by 41.3% to £141 million for the six months ended 31 March 2021 from £240 million for the six months ended 31 March 2020. The decrease was due primarily to savings

made from the Group's restructuring and cost-out programme and lower disruption costs as a result of reduced flying during the COVID-19 pandemic.

4.8.2 Years ended 30 September 2020, 2019 and 2018

Other costs increased by 12.1% to £511 million for the year ended 30 September 2020 from £456 million for the year ended 30 September 2019, which in turn was a decrease of 24.0% from £600 million for the year ended 30 September 2018.

The increase for the year ended 30 September 2020 was due primarily to a non-headline charge of £123 million relating to the Group's restructuring and cost-out programme. The Group also reported a loss of £12 million relating to the sale of carbon credits which the Group purchased under the EU ETS, which was offset by a gain of £38 million relating to the sale and leaseback of 33 aircraft.

The decrease for the year ended 30 September 2019 was due primarily to the occurrence of two non-headline items in 2018 (namely, a £65 million charge for the write-down of IT investments and associated commitments and a £19 million loss from the sale and leaseback of 10 A319 aircraft) that did not re-occur in 2019. The decrease was also due to a reduction in wet leasing charges, which are charges associated with the lease by the Group of an aircraft, crew, maintenance and insurance from another airline. The Group incurred wet lease charges in Germany for the year ended 30 September 2018 whilst it was establishing its own operations at the Berlin Tegel airport. These charges did not re-occur in 2019. The decrease was also driven by a reduction in staff incentive payments.

4.9 Depreciation

Depreciation is calculated to write off the cost, less estimated residual value, of aircraft, aircraft spares, prepaid maintenance on aircraft, leasehold improvements, freehold land, fixtures, fittings and equipment and computer hardware, on a straight-line basis over the expected useful lives of these assets. In addition, the costs of major overhauls required to meet the Group's legal and constructive contractual obligations relating to the condition of leased aircraft when these aircraft are returned to the lessor are recognised within the depreciation line item.

4.9.1 Six months ended 31 March 2021 and 2020

Depreciation costs decreased by 19.7% to £204 million for the six months ended 31 March 2021 from £254 million for the six months ended 31 March 2020. The decrease was due primarily to reduced maintenance-related depreciation as a result of lower flying volumes and a discount to the Group's maintenance provision due to changes in underlying interest rates.

4.9.2 Years ended 30 September 2020, 2019 and 2018

Depreciation costs increased by 0.2% to £485 million for the year ended 30 September 2020 from £484 million for the year ended 30 September 2019, which in turn was an increase of 143.2% from £199 million for the year ended 30 September 2018.

The increase for the year ended 30 September 2020 was due primarily to the application of the straight-line time based depreciation policy on the Group's aircraft, which was not impacted by the Group's reduced flying schedule in 2020. The Group incurred additional depreciation costs as a result of the annualisation of 22 aircraft which were acquired in the 2019 financial year and the acquisition of a further 14 aircraft in 2020. These additional costs were offset by a reduction in maintenance-related depreciation, which decreased as a result of the reduction in flying volumes due to the COVID-19 pandemic.

The increase for the year ended 30 September 2019 was due primarily to the adoption of IFRS 16, which caused the Group to capitalise the right of use of all aircraft and properties previously held under operating leases. Under IFRS 16, the Group replaced annual operating lease expenses and maintenance costs with a depreciation expense on right of use assets recognised and an interest expense as the interest rate implicit in the Group's lease liabilities unwinds. In addition to IFRS 16, the Group incurred additional depreciation costs for the year ended 30 September 2019 as a result of the annualisation of 28 aircraft delivered in 2018 and 22 aircraft delivered in 2019.

4.10 Net finance charges

Net finance charges include interest payable and other financing charges, which comprise hedge discontinuation, interest payable on bank and other borrowings, interest payable on lease liabilities, other interest payable and net exchange losses on monetary assets and liabilities, less interest receivable and other financing income, which comprises interest income, hedge discontinuation and net exchange gains on monetary assets and liabilities.

4.10.1 Six months ended 31 March 2021 and 2020

Net finance charges decreased by 75.6% to £44 million for the six months ended 31 March 2021 from £180 million for the six months ended 31 March 2020. The decrease was due primarily to the occurrence of a net non-headline charge of £163 million in the six months ended 31 March 2020 related to the discontinuation of hedge accounting for the Group's jet fuel and foreign exchange derivative contracts which reduced to £28 million in the six months ended 31 March 2021.

4.10.2 Years ended 30 September 2020, 2019 and 2018

Net finance charges increased by 938.9% to £374 million for the year ended 30 September 2020 from £36 million for the year ended 30 September 2019, which in turn was an increase of 100.0% from £18 million for the year ended 30 September 2018.

The increase for the year ended 30 September 2020 was due primarily to a £311 million net charge that the Group recognised for fair value adjustments to its jet fuel and foreign currency exposures. Due to the reduction in commercial flying, which the Group experienced as a result of the COVID-19 pandemic, the Group was in a significantly over-hedged position resulting in a significant net charge from the discontinuation of hedge accounting.

The increase for the year ended 30 September 2019 was due primarily to the adoption of IFRS 16, which caused the Group to capitalise the right of use of all aircraft and properties previously held under operating leases. Under IFRS 16, the Group replaced annual operating lease expenses and maintenance costs with a depreciation expense on right of use assets recognised and an interest expense as the interest rate implicit in the Group's lease liabilities unwinds. As a result of these changes, the Group's depreciation expenses increased and the Group's maintenance costs decreased for the period.

5. Liquidity and capital resources

The Group's primary uses of cash are operating expenses, capital expenditure and debt repayments.

The Group's primary sources of liquidity are proceeds from its debt financing and net cash flows from operating activities. The Rights Issue is expected to increase the Group's liquidity by £1,196 million, reflecting the net proceeds of the Rights Issue after deduction of fees and commissions.

The Group's net capital expenditure was £73 million, £695 million, £984 million and £1,012 million as at 31 March 2021 and 30 September 2020, 2019 and 2018, respectively.

5.1 Cash flow analysis

The following table sets out consolidated cash flow statement information for the Group for the periods indicated.

	Six months ended 31 March		Year ended 30 September		
	2021 (unaudited)	2020	2020	2019 (audited)	2018
	(£ million)				
Cash flows from operating activities					
Cash (used in)/generated from operations	(1,118)	472	(542)	1,098	1,215
Ordinary dividends paid	—	(174)	(174)	(233)	(162)
Interest and other financing charges paid	(71)	(25)	(71)	(58)	(29)
Interest and other financing income received	—	34	12	12	11
Net tax received/(paid)	(5)	(20)	13	(58)	(74)
Net cash (used in)/generated from operating activities	(1,194)	287	(762)	761	961
Cash flows from investing activities					
Purchase of property, plant and equipment	(71)	(392)	(659)	(954)	(931)
Purchase of intangible assets	(2)	(60)	(36)	(30)	(81)
Net increase in money market deposits	32	118	259	52	269
Net proceeds from sale and leaseback of aircraft	810	114	702	121	106
Net cash (used in)/generated from investing activities	769	(220)	266	(811)	(637)
Cash flows from financing activities					
Net proceeds from issue of ordinary share capital	—	—	409	—	—
Purchase of own shares for employee share schemes	(3)	(6)	(7)	(16)	(17)
Proceeds from debt financing	1,804	—	1,399	443	—
Repayment of bank loans and other borrowings	(1,043)	—	—	—	—
Repayment of capital element of leases	(174)	(111)	(230)	(174)	(6)
(Increase)/decrease in restricted cash	6	—	(15)	7	(4)
Net cash (used in)/generated from financing activities	590	(117)	1,556	260	(27)
Effect of exchange rate changes	(114)	(19)	(61)	50	17
Net (decrease)/increase in cash and cash equivalents	51	(69)	999	260	314
Cash and cash equivalents at beginning of period	2,284	1,285	1,285	1,025	711
Cash and cash equivalents at end of period	2,335	1,216	2,284	1,285	1,025

5.1.1 Cash flows from operating activities

Net cash used in operating activities was a cash outflow of £1,194 million for the six months ended 31 March 2021 compared to a cash inflow of £287 million for the six months ended 31 March 2020. The change to a cash outflow was due primarily to reduced flying and softer macro-level demand for air travel, which primarily resulted from the imposition of significant restrictions on travel by governments in response to the COVID-19 pandemic.

Net cash used in operating activities was a cash outflow of £762 million for the year ended 30 September 2020 compared to a cash inflow of £761 million for the year ended 30 September 2019. The change to a cash outflow for the year ended 30 September 2020 was due primarily to reduced flying and softer macro-level demand for air travel in the second half of the 2020 financial year, which primarily resulted from the imposition of significant restrictions on travel by governments in response to the COVID-19 pandemic.

Net cash generated from operating activities decreased to a cash inflow of £761 million for the year ended 30 September 2019 from a cash inflow of £961 million for the year ended 30 September 2018. The decrease for the year ended 30 September 2019 was due primarily to a reduction in net working capital, which was in turn driven by a decrease in trade and other payables as a result of the timing of invoices, movement in short-term derivative financial instruments and provisions.

5.1.2 Cash flows from investing activities

Net cash generated from investing activities was a cash inflow of £769 million for the six months ended 31 March 2021 compared to a cash outflow of £220 million for the six months ended 31 March

2020. The change to a cash inflow was due primarily to net proceeds of £810 million from the sale and leaseback of 35 aircraft.

Net cash generated from investing activities was a cash inflow of £266 million for the year ended 30 September 2020 compared to a cash outflow of £811 million for the year ended 30 September 2019. The change to a cash inflow for the year ended 30 September 2020 primarily reflected receipt of net proceeds of £702 million as a result of the sale and leaseback of 33 aircraft in 2020 and a decrease of £289 million in net capital expenditure.

Net cash used in investing activities decreased to a cash outflow of £811 million for the year ended 30 September 2019 from a cash outflow of £637 million for the year ended 30 September 2018. The decrease for the year ended 30 September 2019 primarily reflected a net decrease of £217 million in money market deposits as a result of a decrease in cash generated from the Group's operations.

5.1.3 Cash flows from financing activities

Net cash generated from financing activities was a cash inflow of £590 million for the six months ended 31 March 2021 compared to a cash outflow of £117 million for the six months ended 31 March 2020. The change to a cash inflow was due primarily to the receipt of proceeds from the issuance of a €1,200 million bond under the EMTN Programme in March 2021 and a drawdown of US\$1,050 million under the UKEF Facility in January 2021, which was offset in part by the repayment of bank loans and other borrowings.

Net cash generated from financing activities increased to a cash inflow of £1,556 million for the year ended 30 September 2020 from a cash inflow of £260 million for the year ended 30 September 2019. The increase for the year ended 30 September 2020 was due primarily to increased proceeds from the Group's debt financing, which included drawing £600 million of commercial paper under the UK CCFF, £387 million under the Revolving Credit Facility and £400 million under the Term Loans in April 2020, and the Group's non-pre-emptive placing of ordinary shares, which raised £409 million in the year ended 30 September 2020.

Net cash generated from financing activities was a cash inflow of £260 million for the year ended 30 September 2019 compared to a cash outflow of £27 million for the year ended 30 September 2018. The change to a cash inflow for the year ended 30 September 2019 was due primarily to the receipt of proceeds from the issuance of a €500 million bond under the EMTN Programme in June 2019, which was offset in part by the repayment of capital element of leases.

5.2 Cash and indebtedness

As at 31 March 2021, the Group's liquidity amounted to £5.2 million per 100 seats. The table below sets out the Group's liquidity position as at the dates indicated:

	As at 31 March 2021 (unaudited)	As at 30 September 2020 (£ million) (audited)	As at 30 September 2019 (audited)
Unrestricted cash	2,335	2,316	1,576
Total liquidity	2,929	2,466	2,133
Minimum liquidity requirements	1,524	1,574	1,505

The Group had consolidated cash and cash equivalents of £2,335 million, £2,284 million, £1,285 million and £1,025 million as at 31 March 2021 and 30 September 2020, 2019 and 2018, respectively.

The Group had lease liabilities of £1,027 million, £710 million, £578 million and £nil as at 31 March 2021 and 30 September 2020, 2019 and 2018, respectively.

The Group had total borrowings (current and non-current) of £3,323 million, £2,731 million, £1,324 million and £977 million as at 31 March 2021 and 30 September 2020, 2019 and 2018, respectively. The Group's borrowings as at 31 March 2021 were comprised primarily of three €500 million bonds and one €1,200 million bond under the EMTN Programme, borrowings under the UKEF Facility (with US\$1,050 million drawn down as at 31 March 2021 out of the total available facility commitments of US\$1,870 million) and borrowings of £300 million under the CCFF. Apart from borrowings under the CCFF, which are due to be repaid on 18 November 2021, the Group has no

other debt maturities outstanding until the 2023 financial year. For further information, including a summary of the Group's debt covenants, see paragraphs 14.2 (“—Euro Medium Term Note Programme”), 14.3 (“—UK Export Finance Facility”) and 14.4 (“—Covid Corporate Financing Facility”) of Part XVII (Additional Information) of this document.

The table below sets out the impact of a 1% increase in interest rates over the next 12 months on the Group's profit and loss after tax for the periods indicated:

	Six months ended 31 March		Year ended 30 September		
	2021	2020	2020	2019	2018
	(£ million)				
Income statement impact: gain/(loss)	10	9	18	11	8

The Group will continue to review its liquidity position on a regular basis and will continue to assess further funding opportunities should the need arise. The Group has focused on reducing the rate it uses its cash, reducing the total cash burn of the Group's business from £774 million during the fourth quarter of 2020 to approximately £470 million during the second quarter of 2021.

During the COVID-19 pandemic, the Group has sought to offer its customers increased flexibility and options, including refunds and vouchers or the ability to move flights without fees. Cash refunds paid to customers for the six months ended 31 March 2021 totalled £254 million. The flight vouchers in issuance as at 31 March 2021 had a value of approximately £250 million.

The net proceeds will increase the Group's cash balance and, in doing so, reduce net debt and enhance both the Group's liquidity and financial flexibility whilst there remains forward-looking uncertainty for the aviation sector, in order to ensure that it is well positioned to respond to any ongoing market challenges related to the COVID-19 pandemic. The Directors believe that the net proceeds from the Rights Issue also will provide resilience to the Group from downside risks should evolutions in the COVID-19 pandemic or delay the recovery of passenger volumes over the next 12 months (see “—The COVID-19 pandemic” above).

5.3 Contractual obligations

The following table sets out the contractual maturity of the Group's financial liabilities as at 30 September 2020.

	Within 1 year	1-2 years	2-5 years	Over 5 years
	(£ million)			
Borrowings—principal and interest	1,018	418	1,384	—
Trade and other payables	837	—	—	—
Lease liabilities	278	174	332	160
FX and jet derivative contracts—receipts	(1,482)	(493)	(89)	—
FX and jet derivative contracts—payments	1,871	657	93	—
Cross-currency swap contracts—receipts	(17)	(17)	(1,392)	—
Cross-currency Swap contracts—payments	33	33	1,396	—

6. Off-balance sheet arrangements

The Group had no off-balance sheet arrangements as at 31 March 2021.

7. Quantitative and qualitative disclosures about financial risk

The Group's operations and use of financial instruments expose it to a variety of risks, including liquidity risk, credit risk, foreign currency risk, capital financing and interest rate risk and commodity price risk. For a discussion of these financial risks, see Note 25 to the 2020 Annual Financial Statements, which are incorporated by reference into this document as explained in Part XIII (Historical Financial Information).

8. Critical accounting policies

When applying the Group's accounting policies, management must make a number of key judgements on the application of applicable accounting standards and estimates and assumptions concerning the

carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and judgements are based on factors considered to be relevant, including historical experience, which may differ significantly from the actual outcome. The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements are discussed in Note 1 to the 2021 Interim Financial Statements and Note 1 to the 2020 Annual Financial Statements, which are incorporated by reference into this document as explained in Part XIII (*Historical Financial Information*).

PART XV
CAPITALISATION AND INDEBTEDNESS

The following tables set out the consolidated capitalisation and indebtedness of the Group as reported under IFRS as at 30 June 2021 (being the last date in respect of which unaudited capitalisation and indebtedness information on the Group is available).

These tables should be read together with Part XIV (*Operating and Financial Review*) and Part XII (*Selected Financial and Other Information*) of this document.

1. Statement of capitalisation

	<u>As at 30 June 2021</u> (£ million)
Total current debt (including current portion of non-current debt)	(300)
Guaranteed	(300)
Secured	—
Unguaranteed/unsecured	—
Total non-current debt (excluding current portion of long-term debt)	(3,043)
Guaranteed	(3,043)
Secured	—
Unguaranteed/unsecured	—
Shareholders' equity	1,267
Share capital	125
Other reserves	1,142
Total	<u>(2,076)</u>

2. Statement of indebtedness

	<u>As at 30 June 2021</u> (£ million)
A. Cash	2,290
B. Cash equivalents	—
C. Other current financial assets	—
D. Liquidity (A) + (B) + (C)	2,290
E. Current financial debt ⁽¹⁾⁽²⁾	300
F. Current portion of non-current debt	—
G. Current financial indebtedness (E) + (F)	300
H. Net current financial indebtedness (G)–(D)	(1,990)
I. Non-current financial debt ⁽²⁾⁽³⁾	3,043
J. Debt instruments	—
K. Non-current trade and other payables	—
L. Non-current financial indebtedness (I) + (J) + (K)	3,043
M. Total financial indebtedness (H) + (L)	<u>1,053</u>

- (1) Including debt instruments, but excluding current portion of non-current financial debt.
(2) Excluding lease liabilities.
(3) Excluding current portion of non-current financial debt and debt instruments.

As at 30 June 2021, the Group had no indirect or contingent indebtedness and had net financial indebtedness of £1,053 million.

As at the date of this Prospectus, there has been no material change in the capitalisation and indebtedness position of the Group since 30 June 2021, being the last date in respect of which unaudited capitalisation and indebtedness information on the Group is available.

PART XVI TAXATION

Section A—UK Taxation

1. General

The following statements do not constitute tax advice and are intended as a general guide only to the UK tax position under current UK legislation and HM Revenue & Customs (“HMRC”) published practice as at the date of this document, both of which are subject to change at any time, possibly with retrospective effect. These statements deal only with the position of Shareholders who are resident (and, in the case of individuals only, domiciled) solely in the United Kingdom for tax purposes (except where the position of a non-UK tax resident Shareholder is expressly referred to) and who hold their New Shares and Existing Shares as an investment and who are the absolute beneficial owners of their New Shares and Existing Shares and of all dividends of any kind paid in respect of them. The statements do not address all possible tax consequences relating to an investment in New Shares. The statements are not addressed to: (i) special classes of Shareholders such as, for example, dealers in securities, broker-dealers, insurance companies and collective investment schemes; (ii) Shareholders who hold their New Shares or Existing Shares as part of hedging or conversion transactions; (iii) Shareholders who have (or are deemed to have) subscribed for or acquired their New Shares or Existing Shares by virtue of an office or employment or who are officers or employees; or (iv) Shareholders who hold their New Shares or Existing Shares in connection with a trade, profession or vocation carried on in the United Kingdom (whether through a branch or agency or, in the case of a corporate Shareholder, through a permanent establishment or otherwise). Shares held through an ISA or a SIPP are normally excluded from the scope of the UK taxation section. Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult their own professional advisers immediately.

1.1 Taxation of chargeable gains

1.1.1 UK tax resident Shareholders

Shareholders who subscribe for or acquire New Shares pursuant to the Rights Issue

For the purposes of UK taxation of chargeable gains, the issue of New Shares by the Company to UK resident Shareholders who take up their rights under the Rights Issue should constitute a reorganisation of the Company’s share capital. This position is also supported by the experience of HMRC’s historical practice which has been to treat transactions such as the Rights Issue as a reorganisation of share capital for the purposes of UK taxation of chargeable gains.

If the reorganisation treatment applies for UK chargeable gains purposes, a UK resident Shareholder that takes up their entitlement to New Shares under the Rights Issue should not be treated as making a disposal of their Existing Shares. The New Shares issued to a Shareholder should be treated as the same asset acquired at the same time as the Shareholder’s Existing Shares, and the amount paid for the New Shares subscribed for or acquired under the Rights Issue should be added to the base cost of that Shareholder’s Existing Shares. Accordingly, a Shareholder should not be treated as acquiring a new asset or making a disposal of any part of their Existing Shares by reason of taking up all or part of their rights to New Shares. Therefore, no liability to UK taxation of chargeable gains should arise in respect of the issue of New Shares to the extent that a Shareholder takes up their entitlement to New Shares.

UK tax law requires that all Shareholders are allocated rights in respect of, and in proportion to, their existing shareholding in the company, in order to meet the definition of a reorganisation of a company’s share capital. In circumstances where some Shareholders do not receive an allocation (for example, because for regulatory reasons shareholders resident in some jurisdictions may not be able to receive such allocations), the Rights Issue may not strictly constitute, as a matter of UK tax law, a reorganisation of the Company’s share capital for the purposes of UK taxation of chargeable gains. However, practice and experience indicates that HMRC would still treat a Rights Issue which is not capable of being taken up by all Shareholders as a reorganisation for UK chargeable gains purposes.

In the event that reorganisation treatment does not apply for UK chargeable gains purposes, when a UK resident Shareholder takes up their rights, they will be treated as acquiring new Shares in the Company. If the Shares under the rights issue are offered at a discount to their market value, such

Shareholders might be regarded as having a part-disposal of their existing Shareholding when they take up shares under the Rights Issue.

Shareholders who sell or renounce their Rights or who allow their Rights to lapse

If a Shareholder sells or otherwise disposes of all or any of their Rights to subscribe for the New Shares provisionally allotted to them, or if a Shareholder allows or is deemed to allow their rights to lapse and receives a cash payment in respect of them, this will, subject to the following paragraph, constitute a disposal of an interest in the Shareholder's Existing Shares for the purposes of UK taxation of chargeable gains. Such a disposal may give rise to a liability to a tax depending on that Shareholder's particular circumstances.

If the proceeds resulting from such a disposal are "small" as compared with the market value (on the date of lapse or sale) of a Shareholder's Existing Shares in respect of which the rights arose, the Shareholder should not generally be treated as making a disposal for the purposes of UK taxation of chargeable gains. Instead the proceeds received will be deducted from the base cost of the Shareholder's Existing Shares, unless the disposal proceeds are greater than the base cost of the Shareholder's Existing Shares. HM Revenue and Customs' current practice is to regard a sum as "small" for these purposes where either (1) the proceeds of the disposal do not exceed 5% of the market value (at the date of the receipt) of the Shares in respect of which the Rights arose or (2) the sum received is £3,000 or less, regardless of whether the 5% test is satisfied. This treatment is dependent upon there being sufficient base cost in the Qualifying Shareholder's Existing Shares from which to deduct the proceeds of the disposal or lapse of Rights.

Any sum received by a Shareholder in respect of an entitlement to a fraction of a Share will likely be "small" for these purposes.

Disposal of New Shares

Shareholders who dispose of all or some of their New Shares may be subject to UK taxation on any chargeable gain which arises on the disposal. Alternatively, an allowable loss may arise. In the case of UK resident individual Shareholders, subject to any annual exemption of £12,300 for 2021/22, UK capital gains tax will apply to gains above the annual exempt amount of £12,300 at a rate of 10% (2021/22) for individuals who are subject to income tax at the basic rate or 20% (2021/22) for individuals who are subject to income tax at the higher or additional rate.

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19%) or an allowable loss for the purposes of UK corporation tax.

1.1.2 Temporarily Non-Resident Shareholders

Individual Shareholders who are not, but have been, resident for UK tax purposes in the United Kingdom and cease to be resident in the United Kingdom for a period of less than five years of assessment ("**Temporary Non-Residents**"), may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to UK taxation on chargeable gains in respect of gains arising from a sale or other disposal of New Shares or rights to subscribe for New Shares in the same way as an individual Shareholder who is resident in the United Kingdom for UK tax purposes, as described above.

1.2 Taxation of Dividends

Withholding tax on dividends

Under current law, the Company is not required to withhold tax at source when paying a dividend in respect of New or Existing Shares.

A Shareholder's liability to tax on dividends will depend on the individual circumstances of the Shareholder.

Direct tax on dividends paid to UK resident individual Shareholders

Under current UK tax rules specific rates of tax apply to dividend income. These include a nil rate of tax (the "**nil rate band**") for the first £2,000 (2021/2022) of non-exempt dividend income in any tax

year and special rates of tax for dividend income that exceeds the nil rate band. For these purposes “dividend income” includes UK and non UK source dividends and certain other distributions in respect of shares.

An individual Shareholder who is resident for tax purposes in the United Kingdom and who receives a dividend from the Company will not be liable to UK tax on the dividend to the extent that (taking account of any other non-exempt dividend income received by the Shareholder in the same tax year) that dividend falls within the nil rate band.

To the extent that (taking account of any other non-exempt dividend income received by the Shareholder in the same tax year) the dividend exceeds the nil rate band (and subject to any other available allowances, such as the personal allowance described below), it will be subject to income tax at 7.5% (2021/2022) to the extent that it falls below the threshold for higher rate income tax. To the extent that (taking account of other non-exempt dividend income received in the same tax year) it falls over the threshold for higher rate income tax then the dividend will be taxed at 32.5% (2021/2022) to the extent that it is within the higher rate band, or 38.1% (2021/2022) to the extent that it is within the additional rate band.

An individual Shareholder may (depending on his or her circumstances) be entitled to claim certain allowances which have the effect of reducing his or her taxable income. For example, an individual Shareholder may be entitled to claim the personal allowance of up to £12,570 (for the 2021/2022 tax year). Any such personal allowance is in addition to the nil rate band and can be applied against taxable dividend income in the same way as for other income.

For the purposes of determining which of the taxable bands dividend income falls into, and for the purpose of the application of the personal allowance (if any), dividend income is treated as the highest part of a Shareholder’s income. In addition, dividends within the nil rate band which would (if there was no nil rate band) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded and will therefore affect the level of savings allowance to which they are entitled.

Direct tax on dividends paid to UK resident corporate Shareholders

It is likely that most dividends paid on the Shares to a UK resident corporate Shareholder would fall within one or more of the classes of dividend qualifying for exemption from corporation tax.

Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally be exempt from UK corporation tax on any dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder (which is not a “small company” for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19 per cent from 1 April 2017) unless the dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company’s assets on its winding up) and which are not “redeemable”, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made).

However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. Shareholders within the charge to corporation tax should consult their own professional advisers.

Direct tax on dividends paid to non-UK resident Shareholders

Non-UK resident Shareholders (other than those carrying on a trade, profession or vocation in the United Kingdom and those who are otherwise within the charge to UK corporation tax) will not generally be subject to UK tax on any dividends received from the Company. A non-UK resident Shareholder may also be subject to foreign taxation on dividend income under the local law in their country or jurisdiction of residence and/or citizenship. A shareholder who is not solely resident in the UK for tax purposes should consult his own tax advisers concerning his tax liabilities (in the UK and

any other country) on dividends received from the Company in respect of liability to both UK taxation and taxation of any other country of residence or citizenship.

1.3 UK Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

The following statements are intended as a general and non-exhaustive guide to the current UK stamp duty and SDRT position and apply regardless of whether or not a Shareholder is resident in the United Kingdom for UK tax purposes.

1.4 The Rights Issue

No stamp duty or SDRT will be payable on the issue of New Shares pursuant to the Rights Issue other than as explained in the paragraphs below.

No stamp duty or SDRT will generally be payable by Shareholders on the issue of Provisional Allotment Letters, split letters of allotment or definitive shares certificates, on the registration of the original holders of Provisional Allotment Letters or their renounees, on the crediting of the Nil Paid Rights or Fully Paid Rights to stock accounts in CREST or on issue in uncertificated form of New Shares.

For issues of Shares to a nominee or person whose business includes the provision of clearance services or the nominee or agent for a person whose business is or includes issuing depository receipts, please see paragraph 1.7 below.

The purchase of Nil Paid Rights or Fully Paid Rights represented by a Provisional Allotment Letter or held in CREST on or before the latest time for registration of renunciation or transfer will not generally be subject to stamp duty but the purchaser will normally be liable to SDRT at the rate of 0.5% of the actual consideration paid in money or money’s worth. Where the purchase is effected through a stockbroker or other financial intermediary, that person will normally account for the SDRT and will indicate that this has been done in any contract note issued to a purchaser. In other cases, the purchaser is liable to pay the SDRT and must account for it to HM Revenue and Customs. In the case of transfer within CREST, any SDRT due should be collected through CREST in accordance with the CREST rules.

1.5 Subsequent transfers

Any subsequent conveyance or transfer on sale of Shares effected by an instrument of transfer will usually be subject to stamp duty, at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid in the form of cash, shares or the assumption, satisfaction or release of debt (Transfers to connected companies will be subject to SD and or SDRT based on the higher of the consideration paid or provided and the market value of the shares at the time of the transfer). Stamp duty is normally paid by the purchaser. There is an exemption where the consideration for a transfer is £1,000 or less and that transfer does not form part of a larger transaction or a series of transactions where the combined consideration exceeds £1,000 and this is certified on the instrument of transfer. A charge to SDRT at the rate of 0.5% of the amount or value of the consideration paid in money or money’s worth will also arise in relation to an unconditional agreement to transfer Shares. SDRT is also normally a liability of the purchaser. However, if within six years of the date of the agreement (or, if the agreement was conditional, the date on which the agreement became unconditional) an instrument of transfer is executed pursuant to the agreement and is duly stamped (unless it is exempt), the stamping of the instrument of transfer will normally cancel the SDRT liability and, provided a claim for repayment is made, any SDRT already paid should be refunded.

1.6 Shares held through CREST

A transfer of Shares effected on a paperless basis through CREST will generally be subject to SDRT (rather than stamp duty) at the rate of 0.5% of the amount or value of the consideration paid in money or money’s worth. Euroclear will ordinarily collect SDRT on relevant transactions settled through CREST and will account for the SDRT to HM Revenue and Customs.

There will be no stamp duty or SDRT on a transfer of Shares into or out of CREST where such a transfer is made for no consideration.

1.7 Shares held through Clearance Systems or Depositary Receipt Arrangements

UK domestic law provides that where Shares are issued or transferred to issuers of depositary receipts or providers of clearance services (or their nominees or agents) stamp duty and/or SDRT may be payable, broadly, at the higher rate of 1.5% of the amount or value of the consideration payable or, in certain circumstances, 1.5% of the value of the Shares (rounded up to the nearest multiple of £5 in the case of stamp duty). Following decisions of the European Court of Justice in Case C-569/09 *HSBC Holdings plc and Vidacos Nominees Ltd v HMRC* and the First Tier Tribunal in *HSBC Holdings plc and the Bank of New York Mellon Corporation v HMRC* [2012] UK FTT 163, HM Revenue and Customs has confirmed that it will not seek to apply the 1.5% stamp duty and/or SDRT charge where new shares are issued into an EU or non EU depositary receipt system or clearance system (or transferred into a depositary receipts system or clearance system where such transfer is integral to the raising of capital by the company concerned), and that this continues to be the position post Brexit. HM Revenue & Customs' published view is that the 1.5% SDRT or stamp duty charge continues to apply to other transfers of shares into a clearance service or depositary receipt arrangement, unless they are an integral part of an issue of share capital. Accordingly, specific professional advice should be sought before incurring a 1.5% stamp duty or stamp duty reserve tax charge in any circumstances.

2. Inheritance tax

2.1 New Shares registered on the Register

New Shares which are registered on the Register (“UK Shares”) will be assets situated in the United Kingdom for the purposes of UK inheritance tax.

A gift of UK Shares by, or a transfer on the death of, an individual holder of such shares may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax (which currently can be up to 40% of the value of the transfer), even if the Shareholder is neither domiciled in the United Kingdom nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile).

Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to the death of the donor and the cumulative aggregate value of any chargeable gifts made by such donor in the previous 7 years has not exceeded the inheritance tax nil rate band (currently £325,000). For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift in respect of the undervalue element and particular rules apply to gifts where the donor reserves or retains some benefit in respect of the asset gifted. Special rules also apply to close companies and to trustees of settlements who subscribe for, acquire, dispose of or hold UK Shares, potentially bringing them within the charge to inheritance tax. Holders of UK Shares should consult an appropriate professional adviser if they intend to make a gift, transfer at less than full market value, or hold UK Shares through such a company or trust arrangement.

2.2 Inheritance tax—Double taxation

If a charge to tax of a similar character to UK inheritance tax (in other words, tax that is chargeable by reference to death or gifts inter vivos) arises in another country in respect of New Shares in connection with the same event that gives rise to a charge to UK inheritance tax, relief may be available under the terms of a double tax agreement or unilateral United Kingdom double tax relief provisions.

Holders of New Shares should seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

Section B—US Taxation

1. Introduction

The following is a summary of certain US federal income tax consequences of the receipt, exercise and disposition of Nil Paid Rights or Fully Paid Rights (together, “Rights”) pursuant to the Rights Issue, as well as the acquisition, ownership and disposition of New Shares by a US Holder (as defined below). This summary deals only with US Holders that receive Rights in the Rights Issue and will hold the Rights and New Shares as capital assets, within the meaning of Section 1221 of the US Internal

Revenue Code of 1986, as amended (the “Code”). The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the receipt, exercise and disposition of Rights or the acquisition, ownership or disposition of New Shares by particular investors (including consequences under the alternative minimum tax or net investment tax), and does not address any non-income federal taxes (such as estate or gift taxes) or any state, local, non-US or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly or by attribution) 10% or more of the stock of the Company (by vote or value), nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, regulated investment companies or real estate investment trusts, US expatriates, UK Temporary Non-Residents, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers or traders in securities or currencies, investors that will hold the New Shares as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes or investors whose functional currency is not the US dollar).

As used herein, the term “US Holder” means a beneficial owner of Rights or New Shares that is, for US federal income tax purposes, (i) an individual citizen or resident of the United States, for US federal income tax purposes, (ii) a corporation (or other entity treated as a corporation for US federal income tax purposes) created or organised under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to US federal income tax without regard to its source or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (b) the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner or other owner of an entity or arrangement treated as a partnership or other pass-through entity for US federal income tax purposes that holds Rights or New Shares will depend on the status of the partner (or other owner) and the activities of the entity. Prospective purchasers that are entities or arrangements treated as partnerships or other passthrough entities for US federal income tax purposes should consult their tax advisers concerning the US federal income tax consequences to them and to their partners (or other owners) of the acquisition, ownership, exercise and disposition of Rights or New Shares by the entity.

The summary assumes that the Company is not a PFIC for US federal income tax purposes, which the Company believes to be the case. The Company’s possible status as a PFIC must be determined annually and therefore may be subject to change. If the Company were to be a PFIC in any year, materially adverse consequences could result for US Holders. See “*Passive Foreign Investment Company Considerations*” below.

This summary is based on the tax laws of the United States, including the Code, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the United Kingdom (the “Treaty”), all as in effect of the date hereof and all subject to change at any time, possibly with retroactive effect. No ruling has been obtained and no ruling will be requested from the US Internal Revenue Services (the “IRS”) with respect to any of the US federal income tax consequences described below, and as a result, there can be no assurance that the IRS will not disagree with or challenge any of the statements provided below.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY SHAREHOLDER OR PROSPECTIVE SHAREHOLDER AND NO OPINION OR REPRESENTATION WITH RESPECT TO THE US FEDERAL INCOME TAX CONSEQUENCES TO ANY SUCH SHAREHOLDER OR PROSPECTIVE SHAREHOLDER IS MADE. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE RIGHTS AND NEW SHARES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFIT OF THE TREATY, THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL, NON-US AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

2. Taxation in respect of Rights

2.1 Nil Paid Rights

2.1.1 Receipt of Nil Paid Rights

The tax consequences of the receipt of Nil Paid Rights by a US Holder are not free from doubt. In particular, it is not clear whether the sale of Rights by the Underwriters, and the remittance of the proceeds from that sale to certain holders whose Nil Paid Rights were not taken up, should be treated as a sale and distribution by the Company, or as a distribution of Nil Paid Rights by the Company and a subsequent sale of those Nil Paid Rights by the relevant holders. If the sale and distribution were considered to be made by the Company, then the receipt of Nil Paid Rights would be taxable to US Holders as a dividend to the extent of the Company's current or accumulated earnings and profits, as described below under "*Taxation in Respect of New Shares—Dividends*". However, based on the particular facts relating to the Nil Paid Rights and the sale of Nil Paid Rights by the Underwriters, the Company believes it is proper to take the position that a US Holder is not required to include any amount in income for US federal income tax purposes as a result of the receipt of the Nil Paid Rights. It is possible that the IRS will take a contrary view and require a US Holder to include in income the fair market value of the Nil Paid Rights on the date of their distribution. The remainder of this discussion assumes that the receipt of the Nil Paid Rights will not be a taxable event for US federal income tax purposes.

If, on the date of distribution, the fair market value of Nil Paid Rights is less than 15% of the fair market value of the Existing Shares with respect to which Nil Paid Rights are received, Nil Paid Rights will be allocated a zero tax basis unless the US Holder affirmatively elects to allocate its tax basis in the Existing Shares with respect to which the Nil Paid Rights are received between those Existing Shares and the Nil Paid Rights received in proportion to their relative fair market values determined on the date of distribution. This election must be made in the US Holder's timely filed US federal income tax return for the taxable year in which Nil Paid Rights are received, in respect of all Nil Paid Rights received by the US Holder, and is irrevocable.

If, on the date of distribution, the fair market value of Nil Paid Rights is 15% or more of the fair market value of the Existing Shares with respect to which the rights are received, then, except as discussed below under "*Expiration of Nil Paid Rights*", the basis in the US Holder's Existing Shares must be allocated between the Existing Shares and Nil Paid Rights received in proportion to their fair market values determined on the date of distribution.

2.1.2 Sale or other disposition of Nil Paid Rights

Upon a sale or other disposition of Nil Paid Rights, including a sale of Nil Paid Rights by the Underwriters, a US Holder will generally recognise capital gain or loss equal to the difference, if any, between the US dollar value of the amount realised (as determined on the date of the sale or other disposition) and the US Holder's adjusted tax basis in the Nil Paid Rights. Any gain or loss will generally be US source, and will be long-term capital gain or loss if the US Holder's holding period in the Nil Paid Rights exceeds one year. A US Holder's holding period in the Nil Paid Rights will include the holding period in the Existing Shares with respect to which the Nil Paid Rights were distributed.

2.1.3 Expiration of Nil Paid Rights

If a US Holder allows the Nil Paid Rights to expire without selling or exercising them and does not receive any proceeds, the holder will not recognise any loss upon the expiration of the Nil Paid Rights, and any basis previously allocated to the Nil Paid Rights will revert back to the Existing Shares with respect to which those Nil Paid Rights were distributed.

2.1.4 Exercise of Nil Paid Rights

A US Holder will not recognise taxable income upon the receipt of Fully Paid Rights pursuant to the exercise of Nil Paid Rights. A US Holder's basis in the Fully Paid Rights will equal the sum of the US dollar value of the exercise price determined at the spot rate on the date of exercise and the US Holder's basis, if any, in the Nil Paid Rights exercised to obtain the Fully Paid Rights. A US Holder's holding period in each Fully Paid Right will begin with and include the date of exercise of the Nil Paid Right.

2.1.5 Proceeds from sale by Underwriters

The US federal income tax treatment of a US Holder that does not take up its Nil Paid Rights and receives sales proceeds from the Underwriters pursuant to paragraph 6 of Part IX (*Terms and Conditions of the Rights Issue*) of this document is not free from doubt. Generally, such a US Holder will be treated either as having sold the Nil Paid Rights (as described above) or as having exercised the Nil Paid Rights and sold the New Shares. A US Holder that is treated as having sold the New Shares will recognise a short-term capital gain or loss as described below under "*Taxation in Respect of New Shares—Sale or Other Disposition*", regardless of the holding period of the Nil Paid Rights. US Holders that receive amounts in respect of lapsed Nil Paid Rights should consult their own tax advisers regarding the US federal income tax treatment of such amounts.

2.2 Fully Paid Rights

2.2.1 Sale or Other Disposition of Fully Paid Rights

Upon a sale or other disposition of Fully Paid Rights, a US Holder will recognise capital gain or loss equal to the difference, if any, between the US dollar value of the amount realised (as determined on the date of the sale or other disposition) and the US Holder's adjusted tax basis in the Fully Paid Rights. Any such capital gain or loss will generally be US source short-term capital gain or loss.

2.2.2 Receipt of New Shares

A US Holder will not recognise taxable income upon the receipt of New Shares subscribed for or acquired through Fully Paid Rights. A US Holder's basis in the New Shares will equal the US Holder's basis in the Fully Paid Rights with respect to which the New Shares were subscribed for or acquired. A US Holder's holding period in a New Share received will begin with and include the date of exercise of the underlying Nil Paid Right.

3. Taxation in respect of New Shares

3.1 Dividends

3.1.1 General

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for US federal income tax purposes) will generally be taxable to a US Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the US Holder's basis in the New Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that any distribution by the Company with respect to New Shares will be reported as ordinary dividend income. US Holders should consult their own tax advisers with respect to the appropriate US federal income tax treatment of any distribution received from the Company.

Dividends paid by the Company will generally be taxable to a non-corporate US Holder at the special reduced rate normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the Treaty. A US Holder will be eligible for this reduced rate only if it has held the New Shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and is not under an obligation to make related payments with respect to positions in substantially similar or related property. A US Holder will not be able to claim the reduced rate on dividends received from the Company if the Company is a PFIC in the taxable year in which the dividends are received or in the preceding taxable year. See "*Passive Foreign Investment Company Considerations*" below.

3.1.2 Foreign Currency Dividends

Dividends paid in pounds sterling will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the US Holder, regardless of whether the pounds sterling are converted into US dollars at that time. If dividends received in pounds sterling are converted into US dollars on the day they are received, the US Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend

income. A US Holder may have foreign currency gain or loss if the dividend is converted into US dollars after the date of its receipt.

3.2 Sale or other disposition

Upon a sale or other disposition of New Shares, a US Holder generally will recognise US source capital gain or loss for US federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the US Holder's adjusted tax basis in the New Shares. This capital gain or loss will be long-term capital gain or loss if the US Holder's holding period in the New Shares exceeds one year. The deductibility of capital losses is subject to limitations. However, regardless of a US Holder's actual holding period, any loss may be long-term capital loss to the extent the US Holder receives a dividend that qualifies for the reduced rate described above under "*Dividends—General*", and exceeds 10% of the US Holder's basis in its New Shares.

A US Holder's tax basis of New Shares will generally be its US dollar cost. The US dollar cost of a New Share purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase or the settlement date for the purchase, in the case of New Shares traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects). Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. The amount realised on a sale or other taxable disposition of New Shares for an amount in foreign currency will be the US dollar value of that amount on the date of the sale or other taxable disposition. On the settlement date, an accrual basis US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to any difference between the US dollar value of the amount received based on the exchange rates in effect on the trade date and the settlement date. However, in the case of New Shares traded on an established securities market that are sold by a cash basis US Holder (or an accrual basis US Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised on that date.

3.3 Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a New Share will have a tax basis equal to its US dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the US dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase New Shares or upon exchange for US dollars) will be US source ordinary income or loss.

3.4 Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. Based on the manner in which the Company currently operates its business, the Company does not believe that it is currently a PFIC for US federal income tax purposes. However, the Company's possible status as a PFIC must be determined annually and will depend on the composition of the Company's income and assets and the value of its assets from time to time and therefore such status may be subject to change. If the Company were to be treated as a PFIC for any year in which a US Holder of New Shares held an equity interest in the Company, and unless a valid mark-to-market election is made, the US Holder could be required (i) to pay a special US addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of New Shares at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. If the Company were a PFIC for any taxable year, similar rules would apply to distributions by, and sale of shares of, any lower-tier subsidiaries that are also PFICs. Additionally, dividends paid by the Company would not be eligible for the special reduced rate of tax described above under "*Dividends—General*" if the Company were a PFIC in the year the dividend was paid or the immediately preceding year. Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

3.5 Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to New Shares, by a US paying agent or other US intermediary will be reported to the IRS and to the US Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US Holders are not subject to backup withholding. US Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against the US Holder's US federal income tax liability and may entitle the US Holder to a refund, provided that the required information is timely furnished to the IRS.

3.6 Transfer Reporting Requirements

If persons who take up the Nil Paid Rights or the Fully Paid Rights hold at least 80% of the New Shares immediately after the Rights Issue, a US Holder who exercises Nil Paid Rights or Fully Paid Rights may be required to file Form 926 with the IRS if the purchase, when aggregated with all transfers of cash or other property made by the US Holder (or any related person) to the Company within the preceding 12 month period, exceeds US\$100,000 (or its equivalent). In certain circumstances, a US Holder that receives cash from the Underwriters may be deemed to have exercised its Rights and, thus, to have transferred cash to the Company. See "*Taxation in Respect of Rights*". Accordingly, US Holders should consult their own tax advisers with respect to whether they should file Form 926. A US Holder who fails to file any such required form could be required to pay a penalty equal to 10% of the gross amount paid for the New Shares (subject to a maximum penalty of US\$100,000, except in cases of intentional disregard). US Holders should consult their tax advisers with respect to this or any other reporting requirement that may apply to an acquisition of the New Shares.

3.7 Foreign Financial Asset Reporting

US Holders are subject to reporting requirements on the holding of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds US\$50,000 at the end of the taxable year or US\$75,000 at any time during the taxable year. The thresholds are higher for individuals living outside of the United States and married couples filing jointly. The New Shares are expected to constitute foreign financial assets subject to these requirements unless the New Shares are held in an account at a financial institution (in which case the account may be reportable if maintained by a foreign financial institution). US Holders should consult their tax advisers regarding the application of this legislation.

3.8 Medicare Tax

US Holders who are individuals, estates or trusts with modified adjusted gross income that exceeds certain thresholds (US\$250,000 for individuals filing jointly, US\$200,000 for single individuals) will be subject to a Medicare tax of 3.8% on their investment income, net of deductions properly allocable to such income, above such thresholds. This tax will be in addition to any US federal income tax imposed on US Holders with respect to amounts received that constitute investment income for this purpose. US Holders should consult their tax advisers regarding the application of this tax.

PART XVII
ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names appear in Part IV (*Directors, Company Secretary, Registered Office and Advisers*) of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2. Incorporation and registered office

The Company was incorporated and registered in England and Wales on 24 March 2000 as a private company limited by shares with the name easyJet Limited and the registered number 03959649. The Company was re-registered as a public company limited by shares on 16 October 2000 and re-named easyJet plc.

The principal legislation under which the Company operates, and pursuant to which the Shares have been created, and the New Shares will be created, is the Companies Act 2006 and the regulations made thereunder.

The Company is domiciled in the United Kingdom. Its head office, registered office and principal place of business is at Hangar 89, London Luton Airport, Luton, Bedfordshire LU2 9PF, United Kingdom. The telephone number of the Company's registered office is +44 (0) 1582 525019 and its Legal Entity Identifier is 2138001S47XKWIB7TH90.

The Company's website is www.easyjet.com. The information on the Company's website does not form part of this document unless it has been incorporated by reference into this document, as set out in Part XVIII (*Documentation Incorporated by Reference*) of this document.

3. Organisational structure

The Company is the ultimate holding company of the Group.

3.1 Group

easyJet's principal subsidiaries and associated undertakings as at the Latest Practicable Date are as follows:

<u>Name of subsidiary undertaking</u>	<u>Country of incorporation</u>	<u>Proportion of voting rights held(%)</u>
easyJet Airline Company Limited	England and Wales	100
easyJet Switzerland S.A	Switzerland	49
easyJet Sterling Limited	Cayman Islands	100
easyJet Leasing Limited	Cayman Islands	100
easyJet UK Limited	England and Wales	100
easyJet Europe Airline GmbH	Austria	100
easyJet FinCo B.V	Netherlands	100
easyJet HQ Holdings Limited	England and Wales	100
easyJet HQ Limited	England and Wales	100
easyJet HQ Development Limited	England and Wales	100
easyJet Holidays Holdings Limited	England and Wales	100
easyJet Holidays Limited	England and Wales	100
easyJet Holidays Transport Limited	England and Wales	100
easyJet MT Ltd	Malta	100

4. Share capital

4.1 History of easyJet's share capital

As at 1 October 2018, being the first day covered by the audited financial statements incorporated by reference into this document, the issued share capital of easyJet was 397,208,133 Shares of £0.272857 each. Save as disclosed below, during the six months ended 31 March 2021 and the three years ended 30 September 2020, 2019 and 2018, there has been no issue of share capital of the Company fully or partly paid either for cash or other consideration and no share capital of any member of the Group is under option or agreed, conditionally or unconditionally, to be put under option:

<u>Date and description</u>	<u>Number of ordinary shares (nominal value of £0.272857 each)</u>
As at 31 March 2021	456,749,631
As at 30 September 2020	456,749,631
Shares issued pursuant to the conditional placing on 15 July 2020	19,860,406
Shares issued pursuant to the unconditional placing on 29 June 2020	39,681,092
As at 30 September 2019	397,208,133
As at 30 September 2018	397,208,133

4.2 Existing Shareholder authorities

It was resolved by the existing Shareholders at the Company's AGM held on 23 December 2020 that:

- the Directors are authorised to allot shares that are equity securities (within the meaning of section 551 of the Companies Act 2006) up to an aggregate nominal amount of £41,127,035, representing approximately one third of the issued share capital of the Company;
- up to a further amount of £41,127,035, representing approximately a further third of the issued share capital of the Company, provided they are offered by way of a rights issue;
- the pre-emption rights are disapplied to permit Directors to allot shares up to a maximum aggregate nominal amount of £6,231,368, representing approximately 5% of the issued share capital of the Company; and
- the allotment authority shall expire on the earlier of (i) the date of the next AGM of the Company renewing this authority; or (ii) close of business on 22 March 2022.

4.3 Issued share capital

4.3.1 Latest Practicable Date

The issued fully paid up share capital of the Company, as at the Latest Practicable Date, is as follows:

<u>Class</u>	<u>Number</u>	<u>Nominal value per share</u>
Ordinary shares	456,749,631	£0.272857

4.3.2 Immediately following the Rights Issue

The issued fully paid up share capital of the Company immediately following completion of the Rights Issue (assuming that 301,260,394 New Shares are issued in connection with the Rights Issue and no other Shares are issued between the Latest Practicable Date and completion of the Rights Issue) is expected to be as follows:

<u>Class</u>	<u>Number</u>	<u>Nominal value per share</u>
Ordinary shares	758,010,025	£0.272857

4.4 Details of the Shares

The New Shares will, when issued, be in registered form and, subject to the provisions of the CREST Regulations, the Directors may permit the holding of New Shares and Consolidated Shares in uncertificated form and title to the New Shares may be transferred by means of a relevant system (as defined in the CREST Regulations).

Where the Shares are held in certificated form, share certificates will be sent to the registered share owners by first class post in respect of Shareholders.

The New Shares which are subject to the Rights Issue will be provisionally allotted (nil paid) to Qualifying Shareholders by a resolution of a committee of the Board in accordance with English Law.

The New Shares will have the same rights in all respects as the Existing Shares (including the right to receive all dividends and other distributions declared after the date of their issue).

No temporary documents of title have been or will be issued in respect of the New Shares.

The Shares are currently listed on the premium listing segment of the Official List and traded on the LSE's Main Market for listed securities.

No application has been made or is currently intended to be made by easyJet for the New Shares to be admitted to listing or trading on any other exchange.

The Shares are, and the New Shares will be, ordinary shares in registered form and denominated in sterling.

The ISIN for the Nil Paid Rights will be GB00BMY5XK54 and the ISIN for the Fully Paid Rights will be GB00BMZ0FW54.

There are no acquisition rights or obligations in relation to the issue of any Shares in the capital of the Company or an undertaking to increase the capital of the Company.

There are no convertible securities, exchangeable securities or securities with warrants in the Company, save in respect of the Employee Share Schemes. Information on the Employee Share Schemes is set out in paragraph 10 of this Part XVII (*Additional Information*) below.

Rights attaching to the Shares are summarised in paragraph 5 of this Part XVII (*Additional Information*) below.

Other than in connection with the Rights Issue and Admission, no commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of the Company.

4.5 History of easyJet's dividends

As a result of the impact of the COVID-19 pandemic on the Group, and the losses incurred, the Board last year withdrew dividend guidance and did not recommend the payment of a dividend for the financial year ended 30 September 2020.

An ordinary dividend of 43.9 pence per Share, or £174 million, in respect of the year ended 30 September 2019 was paid in the year ended 30 September 2020. An ordinary dividend of 58.6 pence per Share, or £233 million, in respect of the year ended 30 September 2018 was paid in the year ended 30 September 2019.

<u>Year ended 30 September</u>	<u>Type</u>	<u>Amount</u>	<u>Payment date</u>
2020	—	—	—
2019	Final	43.90 p	20/03/2020
2018	Final	58.60 p	22/03/2019

5. Rights attached to Shares

The New Shares will, when issued and fully paid, rank equally in all respects with the Existing Shares and have the following rights attaching to them:

- on a show of hands at a general meeting every member present in person has one vote and every proxy or representative present who has been duly appointed by a member entitled to vote has one vote; and on a poll every member (whether present in person or by proxy or representative) has one vote per Share;
- the right to receive dividends on a *pari passu* basis; and
- if the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in the proportion to the capital which at the start of the winding up is paid up on the Shares held by them, respectively.

See further paragraph 6.2 of this Part XVII.

6. Memorandum and Articles of Association

The Memorandum of Association and Articles of Association are available for inspection as described in paragraph 21 of this Part XVII.

The Articles of Association, which were adopted pursuant to a special resolution on 23 December 2020, contain (among others) provisions to the following effect:

6.1 Share Capital

6.1.1 Liability of members

The liability of the members is limited to the amount, if any, unpaid on the shares held by them. (*Article 3*)

6.1.2 Further issues and rights attaching to shares

Subject to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions, whether in regards to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed so far as the resolution does not make specific provision, as the Board may determine. (*Article 8*)

6.1.3 Changes to the share capital

The Company may by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- classify any unclassified shares;
- sub-divide its shares, or any of them, into shares of smaller amount than its existing shares; and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to shares. (*Article 44*)

6.1.4 Redemption of shares

Subject to any special rights for the time being attached to any existing shares, any share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such share. (*Article 7*)

6.2 Rights attaching to the shares of the Company

6.2.1 Dividends

The Company may by ordinary resolution declare dividends in accordance with the respective rights of the members but no dividends shall exceed the amount recommended by the Board. The Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. (*Articles 134, 135*)

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid but no amount paid up on a share in advance of the date in which a call is payable shall be treated for the purposes of this Article 136 as paid up on the share. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued

on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly. (*Article 136*)

Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company on or in respect of a share shall bear interest as against the Company. (*Article 139*)

The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit or bank transfer (to a bank or building society account as specified by the distribution recipient), cheque, dividend warrant, or money order or by any other method (including by electronic media) as the Board may consider appropriate. In respect of shares in uncertified form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other moneys by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). (*Article 140*)

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he/she notifies the Company of an address to be used for the purpose. (*Article 141*)

Any dividend which has remained unclaimed for 12 months from the date when it became due for payment shall, may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. (*Article 142*)

6.2.2 Voting rights

Subject to any rights or restrictions attached to any shares, at any general meeting:

- on a show of hands:
- every member who is present in person has one vote;
- every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and
- every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to;
- on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made. (*Article 69*)

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. (*Article 69*)

For the purposes of determining which persons are entitled to attend or vote at a general meeting and how many votes such persons may cast, the Company may specify in the notice convening the meeting a time, not more than 48 hours before the time fixed for the meeting (not including any part of a day that is not a working day), by which a person must be entered on the register in order to have the right to attend or vote at the meeting. (*Article 69*)

If two or more persons are joint holders of a share, then in voting on any question the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of the holders stand in the Register. (*Article 69*)

No member shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him/her,

whether alone or jointly with any other person, unless all amounts presently payable by him in respect of that share have been paid. *(Article 71)*

The voting rights attaching to the shares may be further impacted by the decisions made by the Directors in paragraph 6.2.4 of this Part XVII below.

6.2.3 Transfer of the Shares

Subject to such of the restrictions of these Articles as may be applicable, each member may transfer all or any of his/her shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it. *(Article 33)*

The Board may, in its absolute discretion, refuse to register any transfer of a share (or renunciation of a renounceable letter of allotment) unless:

- it is in respect of a share which is fully paid up;
- is in respect of only one class of share;
- it is duly stamped (is so required); and
- it is delivered for registration to the Office or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him/her or, if the transfer or renunciation is executed by some other person on his/her behalf, the authority of that person to do so, provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the Official List on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis. *(Article 34)*

The Directors shall not register any person as a holder of any share (other than an allottee under an issue of shares by way of capitalisation of profits or reserves made pursuant to these Articles or a Depository) unless:

- in the case of shares held in certificated form, such person has furnished to the Directors a declaration (in such form as the Directors may from time to time prescribe) signed by him/her or on his/her behalf (or, in the case of a corporation, sealed by the corporation or signed on its behalf by an attorney or duly authorised officer of the corporation), together with such evidence as the Directors may require of the authority of any signatory on behalf of such person, stating:
 - the name and nationality of any person who has an Interest in any such share and (if such declaration or the Directors so require) the nature and extent of the Interest of each such person; and/or
 - such other information as the Directors may from time to time determine; and
- in the case of shares held in uncertificated form, the Directors receive such information relating to nationality as the Directors may from time to time determine through a relevant system (as defined in the Regulations). *(Article 34)*

No fee shall be charged for the registration of any instrument of transfer of other document or instruction relating to or affecting the title to any share. *(Article 37)*

6.2.4 Limitations on ownership of the Shares

The Articles also include restrictions on the Shares in order to ensure the Company is able to remain EU-owned and controlled at all times after the United Kingdom's departure from the European Union. *(Article 39)*

The Company shall maintain, in addition to the registered Shares book, a separate register of Shares held by relevant persons, that is, Shareholders who are non-EU Nationals or UK Nationals (in each instance, as defined in the Articles) (together, "**Relevant Persons**"). The Board shall periodically

publish the number of Shares registered on the separate Shares register that are held by Relevant Persons. (*Article 39.3*)

In the event that the Board deems it necessary or appropriate to adopt measures to protect an operating rights of the Group, in light of the nationality of the Shareholders or any persons with an interest in the Shares, it may adopt any of the measures provided for such purpose in the Articles, including the determination of a permitted maximum, that is, a maximum number of Shares that may be held by any non-EU Nationals under any circumstances (the “**Permitted Maximum**”). (*Article 39.4*)

When the Board of Directors adopts such a measure, it shall communicate the measure to Relevant Persons through an article in a national newspaper in any country in which any subsidiary who enjoys an operating right is incorporated, and to the market in such manner as is prescribed for the making of announcements under the Listing Rules, Disclosure Guide and Transparency Rules or otherwise required by the FCA. For example, on 1 January 2021, the share register of the Company showed that ownership of the Shares by Relevant Persons had at that time reached 52.65%. As a result, the Board decided that it was necessary to specify a Permitted Maximum of Shares held by Relevant Persons in accordance with the Articles as 49.5%. (*Article 39.13*)

Once such a measure has been duly disclosed, the Relevant Persons shall not be entitled to attend, speak or vote at any general meetings. (*Article 39.6*). The Board may, in its absolute discretion, refuse to register any transfer of a share which may be capable of being treated as an Affected Share. (*Article 39.8*) No acquisitions or transfers of any Affected Shares held by Relevant Persons may also take place without the approval of the Directors and the Directors may refuse to register the transfer of any such Share. (*Article 39.9*)

The Board may, by notice, also require that Relevant Persons dispose of the relevant Shares such that the Shares shall cease to be held by a non-EU National. If the Relevant Person does not comply with the notice by the Company within 21 days, the Directors may arrange for the sale of the affected Shares on behalf of the Relevant Person at the best price reasonably obtained at the time. The manner, timing and terms of any such disposal shall be made as the Directors’ discretion, based upon advice from bankers, brokers or any other appropriate persons (as may be reasonably practicable) having regard to all the circumstances. The Directors shall not be liable to any person for any of the consequences of reliance on such advice for any disposals of affected Shares. (*Article 39.6*)

6.2.5 Rights on a winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the members (excluding any member holding shares as treasury shares) in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability. (*Article 158*)

6.2.6 Restrictions on rights: failure to respond to a section 793 notice

Where a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 CA 2006 (a “**Section 793 Notice**”) and has failed in relation to any shares (“the default shares”, which expression includes any shares issued after the date of such notice in respect of those shares) to give the Company the information required within the prescribed period from the service of the notice or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, the following sanctions shall apply unless the Board otherwise determines:

- the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or by proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll, or to exercise any other right conferred by membership in relation to any such meeting or poll; and

- where the default shares represent at least 0.25% in number or nominal value of the issued shares of their class (excluding any shares of that class held as treasury shares):
 - any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to Article 143, to receive shares instead of that dividend; and
 - no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless:
 - (i) the member is not himself in default as regards supplying the information required; and
 - (ii) the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer. (*Article 78*)

6.2.7 Untraced members

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member, or any share to which a person is entitled by transmission, if and provided that:

- during the period of 12 years immediately prior to the date of the publication of the advertisements referred to in Article 79.1.2 (or, if published on different dates, the earlier or earliest thereof) (the “**Relevant Period**”) the Company has paid at least three cash dividends (whether interim or final) on the share and no cash dividend payable on the share has either been claimed or cashed; during that period the Company has paid at least three dividends (whether interim or final) and no such dividend has been claimed by the member or person concerned;
- the Company shall as soon as practicable after expiry of the Relevant Period have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares; and
- during the Relevant Period and the period of three months following the publication of the advertisements referred to in Article 79.1.2 (or, if published on different dates, the first date) the Company has received no indication either of the whereabouts or of the existence of such member or person. (*Article 79*)

6.3 Variation of rights

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (whether or not the Company may be or is about to be wound up) may from time to time be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class (excluding any shares held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held in accordance with these Articles. (*Article 48*)

6.4 Substantial Shareholders

The Company may become subject to an additional tax charge if it pays a distribution to, or in respect of a Substantial Shareholder. For these purposes a “**Substantial Shareholder**” is a corporate shareholder that is:

- beneficially entitled, directly or indirectly, to 10% or more of the Company’s distributions;
- beneficially entitled, directly or indirectly, to 10% or more of the Company’s share capital; or
- controls, directly or indirectly, 10% or more of the voting rights of the Company.

For these purposes “**corporate shareholder**” includes any body corporate and certain entities which are deemed to be bodies corporate for the purposes of overseas jurisdictions with which the United Kingdom has a double taxation agreement or for the purposes of such double tax agreements.

This tax charge will not be incurred where the Company has taken reasonable steps to avoid paying such distributions. Therefore, the Company and the Board are empowered by the Company’s Articles of Association to:

- (i) require that a Substantial Shareholder notify the Company of its Substantial Shareholding;
- (ii) prohibit the payment of distributions on shares that form part of a Substantial Shareholding, until the Company is satisfied that the Substantial Shareholder is not beneficially entitled to the dividend;
- (iii) allow distributions to be paid on shares that form part of a Substantial Shareholding where the Substantial Shareholder has disposed of its rights to distributions on its shares; and
- (iv) ensure that if a distribution is paid on shares that form part of a Substantial Shareholding and arrangements of the kind referred to in (iii) are not met, the Substantial Shareholder concerned does not become beneficially entitled to that distribution.

In the event that a distribution is in fact paid to a Substantial Shareholder and a tax charge is incurred by the Company as a result, the Substantial Shareholder shall pay the amount of such tax charge and all costs and expenses incurred by the Company in connection with the recovery of such amount to the Company on demand by the Company. In certain circumstances the Company also has the power to require the disposal of shares forming part of a Substantial Shareholding.

References in this Part XVII to a “**Substantial Shareholding**” are to the shares in respect of which a Substantial Shareholder is entitled to distributions, directly or indirectly, and/or to which a Substantial Shareholder is beneficially entitled, directly or indirectly; and/or the votes attached to which are controlled, directly or indirectly, by the Substantial Shareholder.

6.5 Directors of the Company

6.5.1 Appointment

Unless the Company determines otherwise by ordinary resolution, the number of directors (disregarding alternate directors) shall not be less than three and no more than fifteen. (*Article 83*)

Subject to the provisions of the Articles, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not at any time exceed any maximum number fixed in accordance with these Articles. (*Article 84*)

Any Director so appointed shall retire at the annual general meeting of the Company next following such appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting. (*Article 84*)

6.5.2 Retirement

At every annual general meeting all the Directors at the date of the notice convening the annual general meeting shall retire from office. (*Article 89*)

At any general meeting at which a Director retires under any provision of these Articles, the Company may by ordinary resolution fill the vacancy by electing the retiring Director or some other person eligible for appointment. If the Company does not do so, the retiring Director shall, if willing, be deemed to have been re-appointed unless it is expressly resolved not to fill the vacancy or a resolution for the re-appointment of the Director is put to the meeting and lost. (*Article 93*)

6.5.3 Removal

In addition to any power of removal conferred by the Companies Acts, the Company may by ordinary resolution remove any Director before the expiration of his/her period of office, but without prejudice to any claim for damages which he/she may have for breach of any contract of service between him/her and the Company, and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a Director in his/her place. Any person so appointed shall be treated, for the

purposes of determining the time at which he/she or any other Director is to retire, as if he/she had become a Director on the day on which the person in whose place he/she is appointed was last appointed or re-appointed a Director. *(Article 94)*

The office of a Director shall be vacated if:

- he/she resigns by notice in writing delivered to, or if in electronic form, received by, the Secretary at the Office or tendered at a Board meeting;
- he/she ceases to be a Director by virtue of any provision of the Companies Acts, is removed from office pursuant to these Articles or the Companies Acts or becomes prohibited by law from being a Director;
- he/she becomes bankrupt, has an interim receiving order made against him/her, makes any arrangement or compounds with his/her creditors generally or applies to the court for an interim order under section 253 Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- both he/she and his/her alternate Director appointed pursuant to the provisions of these Articles (if any) are absent, without the permission of the Board, from Board meetings for six consecutive months and the Board resolves that his/her office be vacated. *(Article 95)*

6.5.4 Powers of directors

Subject to these Articles and to any directions given by special resolution of the Company, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business or not. No alteration of these Articles and no such direction given by the Company shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. Provisions contained elsewhere in these Articles as to any specific power of the Board shall not be deemed to limit the general powers given by this Article. *(Article 107)*

If the number of Directors is less than the minimum for the time being prescribed by these Articles, the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there is no Director or Directors able or willing to act, any two members may summon a general meeting for the purpose of appointing Directors. Subject to the provisions of these Articles, any additional Director so appointed shall hold office only until the dissolution of the first annual general meeting of the Company following his/her appointment unless he/she is re-elected during such meeting. *(Article 108)*

The Board may delegate any of its powers, authorities and discretions (including, without prejudice to the generality of the foregoing, all powers, authorities and discretions whose exercise involves or may involve the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) for such time on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more Directors and (if thought fit) one or more other persons. *(Article 110)*

Each Director (other than an alternate Director) may, by notice in writing signed by the Director and delivered to the Secretary at the Office, or in any other manner approved by the Board, appoint any other Director or any person approved for that purpose by the Board and willing to act, to be his/her alternate and remove from office an alternate Director so appointed by him/her. *(Article 97)*

Every alternate Director shall (subject to his/her giving to the Company an address within the United Kingdom at which notices may be served on him/her) be entitled to receive notice of all meetings of the Board and all committees of the Board of which his/her appointor is a member and, in the absence from such meetings of his/her appointor, to attend and vote at such meetings and to exercise all the powers, rights, duties and authorities of his/her appointor (except as regards power to appoint an alternate). *(Article 98)*

6.5.5 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of the Companies Acts, to create and issue debenture and

other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. (*Article 117*)

6.5.6 Provisions for employees on cessation or transfer of business

The Board may exercise any power conferred on the Company by the Companies Acts to make provision for the benefit of persons (other than directors, former directors or shadow directors) employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his/her family or any person who is dependent on him/her) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking. (*Article 115*)

6.5.7 Voting at board meetings

The quorum necessary for the transaction of business may be determined by the Board and, until otherwise determined shall be three persons, each being a Director or an alternate Director. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions for the time being vested in or exercisable by the Board. (*Article 120*)

Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall (unless he is not entitled to vote on the resolution in question) have a second or casting vote. (*Article 122*)

A resolution in writing authenticated by all the Directors for the time being entitled to received notice of a Board meeting, who would be entitled to vote (and whose vote would have been counted), and not being less than a quorum, or by all the members of a committee of the Board who would be entitled to vote (and who vote would have been counted) for the time entitled to receive notice of such committee meeting and not being less than a quorum of that committee, shall be valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee, as the case may be). (*Article 124*)

6.5.8 Directors' interests

Subject to the Articles of Association, for the purposes of section 175 of CA 2006, the Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach by a Director of his/her duty to avoid conflicts of interest under the section, including, without limitation, any matter which related to a situation (a "**relevant situation**") in which a Director has, or can have, an interest which conflicts, or may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it, but excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest (*Article 128.2.1*)

Provided that a Director:

- has declared the nature and extent of his/her interest in a relevant situation to the other Directors;
- who is aware that he/she is in any way interested in a proposed transaction or arrangement with the Company has declared the nature and extent of that interest to the other Directors; and
- who is aware that he/she is any way interested in a transaction or arrangement that has been entered into by the Company has declared the nature and extent of his/her interest to the other Directors (*Article 128.3*),

a director:

- may be a party to or otherwise be interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- many hold any other office or place of profit under the Company (except that of Auditor or of auditor of a subsidiary of the Company) in conjunction with the office of Director and may act by himself/ herself or through his/her firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;

- may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
- provided the acceptance, entry into or existence of it has been approved by the Board under Articles 128.2.1 or it comes within Articles 128.2.5, a Director, notwithstanding his/her office, shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction or arrangement or from any interest in any body corporate, no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his/her duty under section 176 of the CA 2006 not to accept benefits from third parties (*Article 128.2.5*).

Any such authorisation will be effective only if:

- the relevant situation arose on or after 1 October 2008;
- any requirement as to quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and
- the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

6.5.9 Directors' remuneration and expenses

The Directors shall be entitled to receive by way of fees for their services as Directors such sum as the Board, or any committee authorised by the Board, may from time to time determine (not exceeding £650,000 per annum or such other sum as the Company in general meeting by ordinary resolution shall from time to time determine). (*Article 102*)

Each Director shall be entitled to be repaid all reasonable expenses properly incurred by him/her in or about the performance of his/her duties as Director. (*Article 103*)

6.5.10 Directors' pensions and other benefits

The Board, or any committee authorised by the Board, may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death, sickness or disability benefits or other allowances or gratuities calculated to advance the interests of the Company or to benefit any person who is or has at any time been a Director or employee of the Company. (*Article 106*)

6.5.11 Indemnity

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he/she may otherwise be entitled, every person who is or was at any time a Director, alternate Director, Secretary or other officer of the Company, or an associated company (except the Auditors) shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him/her for negligence, default, breach of trust or otherwise in relation to the affairs of the Company or of any associated company, or in connection with the activities of the Company, or of an associate company, as a trustee of an occupational pension scheme, provided that any such person is not provided for or entitled to indemnification to the extent it would cause the Article to be void under the Companies Act.

Subject to the provisions of and so far as may be permitted by the Companies Acts, the Company may at the discretion of the Board provide a Director or officer of the Company (except the Auditors) with funds to meet expenditure incurred or to be incurred by him/her in defending any proceedings or in connection with any application under the provisions referred to in section 205(5) of CA 2006. (*Article 160*)

6.6 General Meetings

The Board may convene a general meeting whenever it thinks fit. If there are not sufficient members of the Board to form a quorum in order to convene a general meeting, any Director may call a general meeting.

The Board shall determine whether a general meeting is to be held as a physical meeting or a hybrid meeting. (Article 52)

All general meetings of the Company shall be convened by at least such minimum period of notice as is prescribed or permitted under the Companies Act. (Article 53)

If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place and/or on the electronic platform(s) specified in the notice calling the general meeting, it may postpone the general meeting to another date, time, place and/or electronic platform(s). (Article 55)

7. Directors' and Senior Managers' interests

7.1 Other Directorships

Save as set out below, none of the Directors or Senior Managers have been a member of any partnerships or held any directorships of any other company (other than subsidiaries of the company of which those persons are also directors), at any time in the last five years prior to the date of this document:

<u>Director/Senior Manager</u>	<u>Current directorships and partnerships</u>	<u>Previous directorships and partnerships held in the previous five years</u>
<u>Directors</u>		
John Barton	Ted Baker plc Matheson & Co Ltd.	Next plc SSP Group plc Luceco plc
Johan Lundgren	easyJet Airline Company Limited Kingsmere Music Limited JPL Consulting Limited	TUI AG
Kenton Jarvis	—	TUI Travel Nominee Limited TUI Travel Holdings Limited TUI Travel Aviation Finance Limited TUI Travel Limited TUI Northern Europe Limited TUI Travel Overseas Holdings Limited TUI Group Fleet Finance Limited TUI Aviation Services Limited TUI Travel Group Solutions Limited First Choice Holidays and Flights Limited Thompson Travel Group (Holdings) Limited TUI Travel Group Management Services Limited First Choice Holidays Limited Jetset Group Holding Limited Jetset Group Holding (UK) Limited Jetset Group Holding (Brazil) Limited Sovereign Tour Operations Limited First Choice Leisure Limited

Director/Senior Manager	Current directorships and partnerships	Previous directorships and partnerships held in the previous five years
Julie Southern	Rentokil Initial plc Ocado Group plc NXP Semi-Conductors N.V. Shilton Midco 2 Limited	Cineworld Group plc DFS Furniture plc Stagecoach Group plc Gategroup AG
Stephen Hester	Centrica plc	RSA Insurance Group Limited Royal & Sun Alliance Insurance Limited
Dr Andreas Bierwirth	Magenta Telekom (formerly T- Mobile Austria) Do&Co AG Telekom Deutschland GmbH	Casinos Austria AG
Catherine Bradley CBE	Value Reporting Foundation C A Bradley Limited Kingfisher plc Johnson Electric Holdings Limited	The Financial Conduct Authority WS Atkins Limited Peugeot SA
Nicholas Leeder	Google Commerce Ltd.—UK Establishment Google Commerce Ltd. Google Europe International Technology Unlimited Company Google Europe, Middle East and Africa Unlimited Company Google Ireland Limited Google Payment Ireland Limited	Chronicle Security Ireland Limited ITA Software Technologies Ltd Nest Labs (Europe) Ltd Raiden Unlimited Company Verily Ireland Ltd Leti Link Holdings Ltd Ceann Nua Ltd Aegino Unlimited Company Google Voice Ltd Tiscan Ltd GV UK Management Company Ltd Crystal Computing SRL Google Belgium NV Google Lithuania UAB DSC International AB Google Sweden AB Global IP Solutions (GIPS) AB Global IP Solutions (GIPS) Holdings AB
Moni Mannings	Investec Bank plc Investec Europe Ltd Investec Holdings (Ireland) Limited Barnardo's Hargreaves Lansdown plc St Mark's Hospital Foundation The Felix Dennis Foundation Cazoo Group Limited	Polypipe Group plc Dairy Crest Group Limited Breedon Group plc
David Robbie	DS Smith Plc Barnes & Gable Limited Britten Pears Arts	Rexam plc FirstGroup plc Snape Maltings

<u>Director/Senior Manager</u>	<u>Current directorships and partnerships</u>	<u>Previous directorships and partnerships held in the previous five years</u>
	St John's House Limited	St. John's Smith Square Charitable Trust
<u>Senior Managers</u>		
Peter Bellew	—	East Midlands Training Limited Malaysia Airlines Berhad Prestwick Aero Limited RyanAir UK Limited
Ella Bennett	33 Belsize Park Limited Questbern Limited The Roundhouse Trust	—
Stuart Birrell	—	Heathrow Airport Limited LHR Airports Limited WSJ Associates Limited
Maaïke de Bie	Blueprint Trust	—
Sophie Dekkers	—	Airport Coordination Limited
Thomas Haagenen	—	—
Garry Wilson	ABTA Limited	The Travel Foundation Travelife Limited

7.2 Interests of Directors and Senior Managers in the share capital of the Company

Save as disclosed in this paragraph 7.2, none of the Directors, Senior Managers nor their immediate families or connected persons have any interests (beneficial or non-beneficial) in the share capital of the Group or its subsidiaries.

Save as disclosed in this paragraph 7.2 and paragraph 12 of this Part XVII, no other person involved in the Admission has an interest which is material to the Admission.

7.2.1 Share interests

The Directors and the Senior Managers have the following interests in Shares (including beneficial interests or interests of a person connected with a Director or a Senior Manager) as at the Latest Practicable Date, and expect to have the following interests immediately following Admission.

<u>Director/Senior Manager</u>	<u>Interests as at the Latest Practicable Date⁽¹⁾</u>		<u>Interests immediately following Admission⁽¹⁾⁽²⁾</u>	
	<u>Number of Outstanding Shares⁽³⁾</u>	<u>% of total issued share capital</u>	<u>Number of Outstanding Shares⁽³⁾</u>	<u>% of total issued share capital</u>
<u>Directors</u>				
John Barton	45,000	0.010	74,681	0.010
Johan Lundgren	40,000	0.009	66,383	0.009
Kenton Jarvis ⁽⁴⁾	18	0.000	30	0.000
Julie Southern	4,490	0.001	7,451	0.001
Stephen Hester ⁽⁵⁾	—	—	—	—
Dr Andreas Bierwirth	5,251	0.001	8,714	0.001
Catherine Bradley CBE ⁽⁶⁾	1,500	0.000	2,489	0.000
Nicholas Leeder	2,318	0.001	3,847	0.001
Moni Mannings ⁽⁷⁾	2,622	0.001	4,351	0.001
David Robbie ⁽⁸⁾	10,000	0.002	16,596	0.002
<u>Senior Managers</u>				
Peter Bellew	8,500	0.002	14,106	0.002
Ella Bennett ⁽³⁾	517	0.000	858	0.000
Stuart Birrell	—	—	—	—
Sophie Dekkers ⁽³⁾	552	0.000	916	0.000
Maaïke de Bie ⁽³⁾	15,878	0.003	26,351	0.003
Thomas Haagensen ⁽³⁾	1,572	0.000	2,609	0.000
Garry Wilson ⁽³⁾	14,211	0.003	23,584	0.003

- (1) Based on the total number of Shares in issue at the Latest Practicable Date, which was 456,749,631 Shares.
- (2) Assuming that each of the above Directors and Senior Managers takes up his or her rights in full pursuant to the Rights Issue, 301,260,394 New Shares are issued in connection with the Rights Issue, there are no other changes to the holdings of the above Directors and Senior Managers and no other issues of Shares occur between the Latest Practicable Date and Admission.
- (3) Includes SIP Partnership Shares, vested SIP Performance (Free) Shares, vested SIP Matching Shares and any shares owned by connected persons.
- (4) Appointed 3 February 2021.
- (5) Appointed 1 September 2021.
- (6) Appointed 1 January 2020.
- (7) Appointed 6 August 2020.
- (8) Appointed 17 November 2020.

Taken together, the combined percentage interest of the Directors and the Senior Managers in voting rights in respect of the issued ordinary share capital of the Company at the Latest Practicable Date was approximately 0.033%.

Taken together, the combined percentage interest of the Directors and the Senior Managers in voting rights in respect of the issued ordinary share capital of the Company immediately following Admission is expected to be approximately 0.033%.

The Directors and the Senior Managers have no interest in the shares of the Company's subsidiaries.

7.2.2 Share awards

The Directors and the Senior Managers had the following options and awards relating to the Shares under the Employee Share Schemes, as described in paragraph 10.1 of this Part XVII, as at the Latest Practicable Date.

Director/Senior Manager	Plan	Date of Original Grant/Award	Option Exercise Price (if any)	Number of Options/ Shares Outstanding	Vesting Date and Exercise Period
Directors					
Johan Lundgren	LTIP	19 December 2018	—	167,003	19 December 2021—19 December 2028
	LTIP	19 December 2019	—	129,461	19 December 2022—19 December 2029
	LTIP	29 December 2020	—	214,369	29 December 2023—29 December 2030
	DSBP	19 December 2018	—	26,871	19 December 2021—18 December 2028
	DSBP	19 December 2019	—	5,282	19 December 2022—18 December 2029
	UK SIP ⁽¹⁾	05 April 2019	—	282	05 April 2022
	UK Sharesave	14 June 2019	£8.02	1,571	01 August 2022—01 February 2023
Kenton Jarvis	LTIP	20 May 2021	—	134,541	29 December 2023—29 December 2030
	UK Sharesave	20 July 2021	£7.62	1,653	1 September 2024—1 March 2025
Senior Managers					
Peter Bellew	LTMSP	29 December 2020	—	56,779	29 December 2023—29 December 2030
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	56,779	29 December 2023—29 December 2030
Ella Bennett ⁽⁴⁾	LTMSP	19 December 2018	—	43,998	19 December 2021—19 December 2028
	LTMSP	19 December 2019	—	33,854	19 December 2022—19 December 2029
	LTMSP	29 December 2020	—	28,030	29 December 2023—29 December 2030
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	28,030	29 December 2023—29 December 2030
	DSBP	19 December 2018	—	1,868	19 December 2021—18 December 2028
	DSBP	19 December 2019	—	678	19 December 2022—18 December 2029
	UK Sharesave	14 June 2019	£8.02	1,571	1 August 2022—1 February 2023
	UK Sharesave	24 July 2020	£6.65	812	1 September 2023—1 March 2024
	UK SIP ⁽³⁾	11 March 2019	—	442	11 March 2022—10 February 2023
Stuart Birrell	LTMSP	29 December 2020	—	26,072	29 December 2023—29 December 2030
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	26,072	29 December 2023—29 December 2030
	UK Sharesave	20 July 2021	£7.62	1,653	1 September 2024—1 March 2025

Director/Senior Manager	Plan	Date of Original Grant/Award	Option Exercise Price (if any)	Number of Options/ Shares Outstanding	Vesting Date and Exercise Period
Sophie Dekkers	LTMSP	17 December 2013	—	1,140	17 December 2016—17 December 2023
	LTMSP	19 December 2014	—	644	19 December 2017—19 December 2024
	LTMSP	19 December 2016	—	4,963	19 December 2019—19 December 2026
	LTMSP	19 December 2018	—	11,709	19 December 2021—19 December 2028
	LTMSP	19 December 2019	—	6,006	19 December 2022—19 December 2029
	LTMSP	29 December 2020	—	23,465	29 December 2023—29 December 2030
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	23,465	29 December 2023—29 December 2030
	UK SIP ⁽³⁾ UK Sharesave	5 April 2019 20 July 2021	— £7.62	282 1,653	5 April 2022 1 September 2024—1 March 2025
Maaïke de Bie ⁽⁴⁾	Restricted Stock Awards ⁽²⁾	17 September 2019	—	9,080	30 June 2020—17 September 2029
	Restricted Stock Awards ⁽²⁾	17 September 2019	—	7,013	30 June 2021—17 September 2029
	LTMSP	19 December 2019	—	37,473	19 December 2022—19 December 2029
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	34,129	29 December 2023—29 December 2030
	LTIP	29 December 2020	—	34,129	29 December 2023—29 December 2030
	DSBP	19 December 2019	—	246	19 December 2022—18 December 2029
	UK Sharesave	24 July 2020	£6.65	1,894	1 September 2023—1 March 2024
	UK Sharesave	20 July 2021	£7.62	708	1 September 2024—1 March 2025
	UK SIP ⁽³⁾	10 January 2020	—	56	10 January 2023—14 April 2023
Thomas Haagensen ⁽²⁾	LTMSP	18 December 2012	—	10,978	18 December 2015— 18 December 2022
	LTMSP	17 December 2013	—	3,177	17 December 2016— 17 December 2023
	LTMSP	19 December 2014	—	1,335	19 December 2017— 19 December 2024
	Restricted Stock Award	19 December 2016	—	10,437	19 December 2018— 19 December 2026
	LTMSP	19 December 2016	—	11,586	17 December 2019— 17 December 2026
	LTMSP	19 December 2018	—	39,303	19 December 2021—19 December 2028

Director/Senior Manager	Plan	Date of Original Grant/Award	Option Exercise Price (if any)	Number of Options/ Shares Outstanding	Vesting Date and Exercise Period
Garry Wilson ⁽⁴⁾	LTMSP	19 December 2019	—	29,533	19 December 2022—19 December 2029
	LTMSP	29 December 2020	—	29,651	29 December 2023—29 December 2030
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	29,651	29 December 2023—29 December 2030
	DSBP	19 December 2018	—	1,486	19 December 2021—18 December 2028
	DSBP	19 December 2019	—	591	19 December 2022—18 December 2029
	International SIP ⁽²⁾	5 April 2019	—	283	5 April 2022
	LTMSP	19 December 2018	—	64,935	19 December 2021—19 December 2028
	LTMSP	19 December 2019	—	49,965	19 December 2022—19 December 2029
	LTMSP	29 December 2020	—	41,368	29 December 2023—29 December 2030
	Restricted Stock Awards ⁽²⁾	29 December 2020	—	41,368	29 December 2023—29 December 2030
	DSBP	19 December 2019	—	3,439	19 December 2022—18 December 2029
	UK Sharesave	14 June 2019	£8.02	1,571	1 August 2022—1 February 2023
	UK Sharesave	20 July 2021	£7.62	708	1 September 2024—1 March 2025
UK SIP ⁽³⁾	11 March 2019	—	162	11 March 2022—14 April 2023	

(1) Includes shares/options originally awarded plus any dividend equivalents subsequently added.

(2) Restricted Stock Awards are granted as nil cost options under the LTMSP, subject to continued employment only, without performance conditions applying.

(3) Johan Lundgren, Ella Bennett, Sophie Dekkers, Maaïke de Bie, Thomas Haagensen and Garry Wilson's SIP awards consisted of unvested SIP Performance (Free) Shares and unvested SIP Matching Shares, as more fully described in paragraph 10 of this Part XVII. Their SIP awards vest on a rolling basis three years following acquisition.

(4) Partnership Shares purchased by Ella Bennett, Maaïke de Bie, Kenton Jarvis and Garry Wilson via the SIP are included in the Share Interests table in paragraph 7.2.1 of this Part XVII.

7.3 Confirmations and conflicts of interest

7.3.1 Confirmations

At the date of this document, none of the Directors or the Senior Managers has during at least the previous five years prior to the date of this document:

- any convictions in relation to fraudulent offences;
- been a member of the administrative, management, supervisory body or senior management of a company associated with any bankruptcies, receiverships or liquidations or a company been put into administration; or
- been subject to any official public incrimination or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the Directors or the Senior Managers.

7.3.2 Conflicts of interest

None of the Directors or the Senior Managers have any actual or potential conflicts of interest between any duties they owe to the Group and any private interests or other duties he or she may also have.

7.3.3 Transactions with Directors and Senior Managers

No Director or Senior Manager has, or has had, any interest in any transaction which is or was unusual in its nature or conditions or which is, or was, significant in relation to the business of the Group and which was effected by any member of the Group during the current or immediately preceding financial year, or during any earlier financial year, and remains in any respect outstanding or underperformed.

There are no outstanding loans granted by the Company or any Group company to any of the Directors or Senior Managers nor has any guarantee been provided by the Company or any Group company for their benefit.

7.3.4 Director appointment arrangements

There are no arrangements or understandings with major Shareholders, customers, suppliers or others pursuant to which any Director or Senior Manager was selected as a director or senior manager (as the case may be).

8. Summary of remuneration and benefits

A summary of the amount of remuneration paid to the Directors (including any contingent or deferred compensation) and benefits in kind granted for the year ended 30 September 2020 is set out in the table below. The Directors are categorised in their positions as at 30 September 2020 for these purposes, and Directors that have resigned since 30 September 2020 are not included.

8.1 Executive Directors

Director	Salary (£)	Bonus (£)	Benefits (£)	LTIP (£)	Pension (£)	Total (£)
Johan Lundgren	698,000	—	14,000	—	43,000	755,000
Kenton Jarvis ⁽¹⁾	—	—	—	—	—	—
Total⁽²⁾	698,000	—	14,000	—	43,000	755,000

(1) Kenton Jarvis was not a Director during the year ended 30 September 2020.

(2) Actual totals for the year ended 30 September 2020 differ due to Directors that have since resigned.

8.2 Chair and Non-Executive Directors

Director	Fees (£)	Benefits (£)	Total (£)
John Barton	297,000	—	297,000
Julie Southern	78,000	—	78,000
Stephen Hester ⁽¹⁾	—	—	—
Dr Andreas Bierwirth	74,000	—	74,000
Catherine Bradley	45,000	—	45,000
Nicholas Leeder	59,000	—	59,000
Moni Mannings	10,000	—	10,000
David Robbie ⁽²⁾	—	—	—
Total⁽³⁾	563,000	—	563,000

(1) Stephen Hester was not a Director during the year ended 30 September 2020.

(2) David Robbie was not a Director during the year ended 30 September 2020.

(3) Actual totals for the year ended 30 September 2020 differ due to Directors that have since resigned.

The aggregate total remuneration (including any contingent or deferred compensation) and benefits in kind paid or granted to the Senior Managers by the Company and its subsidiaries during the year

ended 30 September 2020 was £2,977,415.75 (including the vesting of options and awards relating to the Shares under the Employee Share Schemes set out in paragraph 7.2.2 of this Part XVII). The Company is not required to, and does not otherwise, disclose publicly remuneration for the Senior Managers on an individual basis.

9. Directors terms and conditions

9.1 Executive Directors

	<u>Date of appointment</u>	<u>Present expiry date</u>	<u>Notice period by Company (months)</u>	<u>Notice period by Director (months)</u>
Johan Lundgren	1 December 2017	—	12	12
Kenton Jarvis	3 February 2021	—	12	12

9.2 Chair and Non-Executive Directors

	<u>Date of appointment</u>	<u>Present expiry date</u>	<u>Notice period by Company (months)</u>	<u>Notice period by Director (months)</u>
John Barton	1 May 2013	—	3	3
Julie Southern	1 August 2018	—	3	3
Stephen Hester	1 September 2021	—	3	3
Dr Andreas Bierwirth	22 July 2014	—	3	3
Catherine Bradley CBE	1 January 2020	—	3	3
Nicholas Leeder	1 January 2019	—	3	3
Moni Mannings	6 August 2020	—	3	3
David Robbie	17 November 2020	—	3	3

The Group's policy is for Executive Directors to have service contracts which may be terminated with no more than 12 months' notice from either party. If notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period, during which time the business may require the individual to continue to fulfil their current duties or may assign a period of garden leave.

Letters of appointment for the Non-Executive Directors do not contain fixed term periods; however, they are appointed in the expectation that they will serve for a maximum of nine years, subject to satisfactory performance and re-election at AGMs. The terms of appointment of the Chairman and the other Non-Executive Directors are recorded in letters of appointment. The required notice from the Company is three months. The Non-Executive Directors are not entitled to any compensation on loss of office.

9.3 Directors' indemnity

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. A deed was executed in 2007 indemnifying each of the Directors of the Company and/or its subsidiaries as a supplement to the directors' and officers' insurance cover. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2020 financial year and remain in force for all current and past Directors of the Company.

10. Employee share schemes

10.1 Summary of Employee Share Schemes

A key component of easyJet's reward philosophy is to provide share ownership opportunities throughout the Group by making annual awards of performance-related shares to all eligible employees. easyJet currently operates the following employee share schemes (the "Employee Share Schemes"):

- the easyJet 2015 Long Term Incentive Plan (the "LTIP");
- the easyJet Long Term and Matching Share Plan (the "LTMSPP")

- the easyJet Deferred Share Bonus Plan (the “**DSBP**”);
- the easyJet UK Sharesave Plan (the “**UK Sharesave**”);
- the easyJet International Sharesave Plan (the “**International Sharesave**”);
- the easyJet Share Incentive Plan (the “**SIP**”); and
- the easyJet International Share Incentive Plan (the “**International SIP**”).

The Remuneration Committee has responsibility for determining remuneration for the Executive Directors and the Chairman of the Board, which includes the grant of awards under the LTIPs and DSBP. The Remuneration Committee also reviews the remuneration of the Group’s senior executive management in consultation with the Chief Executive. All other plans are operated by the Board, usually acting by either the Remuneration Committee or another authorised sub-committee of the Board (the “**Committee**”).

The principal features of the Employee Share Schemes are summarised below. See also paragraph 7.2.2 of this Part XVII for details in relation to awards held by the Directors under the Employee Share Schemes.

10.2 Satisfying awards and dilution limits

Options and awards under the LTIP, UK Sharesave and International Sharesave can be satisfied by a new issue of Shares or by the transfer of Shares, either from treasury or using Shares purchased in the market in conjunction with the EBT (a trust established by easyJet with independent trustees based in Jersey). Awards under the SIP are satisfied by the trustees of the SIP trust, who can subscribe for new issue Shares or purchase Shares, either from treasury or in the market.

The following limits apply to the number of Shares that can be issued for the purposes of options and awards under these Employee Share Schemes:

In any 10 year period, the number of Shares over which awards may be granted under the LTIP, and any other discretionary share or option scheme established by easyJet, which may be settled with new issue or treasury shares may not exceed 5% of the issued share capital of easyJet from time to time.

In any 10 year period, the number of Shares over which awards may be granted under any employees’ share or option scheme established by easyJet, which may be settled with new issue or treasury shares may not exceed 10% of the issued share capital of easyJet from time to time.

In practice, easyJet has not previously used new issue or treasury Shares to satisfy options and awards granted under the LTIP, UK Sharesave, International Sharesave or the SIP. Instead easyJet’s practice has been to satisfy such options and awards using Shares purchased in the market.

Options and awards under the LTMSP, DSBP and International SIP may not be satisfied using new issue Shares or treasury shares.

10.3 Alterations to the Employee Share Schemes

Under the LTIP, UK Sharesave, International Sharesave and the SIP, the Committee may at any time alter the relevant plan (in the case of the UK SIP, with the trustees’ written consent and subject to certain further restrictions) provided that no alteration to the advantage of an individual participant shall be made to: (1) the provisions governing eligibility; (2) overall or individual limits; (3) the basis for determining the participant’s entitlement to Shares; (4) the ability to adjust on a variation of capital; and (5) the power of amendment, without the prior approval of Shareholders at a general meeting, save for minor alterations to benefit the administration of the relevant plan or to take account of a change in legislation to obtain or maintain favourable tax, exchange control or regulatory treatment.

Under the DSBP, International SIP and LTMSP, the Committee may at any time alter the relevant plan save that no alteration shall be made to the terms of subsisting awards to the material disadvantage of a participant without the approval of a specified majority of participants.

10.4 Terms common to the LTIP, the LTMSIP and the DSBP

10.4.1 General

Under the LTIP, LTMSIP and DSBP participants are granted awards over Shares in the form of nil-cost options or conditional awards (pursuant to which Shares are delivered to the participant automatically on vesting).

10.4.2 Eligibility

Employees are eligible to participate in the LTIP, LTMSIP and the DSBP at the discretion of the Committee. Executive Directors may participate in the LTIP and the DSBP but are not eligible to participate in the LTMSIP. In practice, only the Executive Directors participate in the LTIP.

10.4.3 Dividends and dividend equivalents

To the extent an award vests, participants may receive additional Shares equivalent to the dividends that would have been paid on the number of Shares that vest (which may be calculated assuming notional reinvestment) between the grant of the award and the vesting date.

10.4.4 Cessation of employment and change of control scenarios

The rules contain provisions covering cessation of employment and change of control scenarios, including the application of time pro-rating (other than for the DSBP).

10.4.5 Malus and Clawback

In the event of a misstatement of financial results used in assessing the number of Shares over which awards were granted or (in the case of the LTIP and LTMSIP) the satisfaction of a performance condition, an error in calculation, or the participant contributing, through an act or omission, to a safety incident which has damaged the Company's reputation to a material extent, the Committee may, within periods specified in the rules, apply malus and clawback to an award.

Under the LTIP and DSBP malus and clawback may also be applied in cases of serious personal misconduct or on the occurrence of a corporate failure.

The Committee may apply malus and clawback by negatively adjusting an award prior to vesting, negatively adjusting or forfeiting any other outstanding award and/or requiring a participant to make a repayment of the amount subject to the clawback.

10.4.6 Variation of capital

On any variation of the share capital of easyJet or a demerger, special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustments as it considers appropriate to the number of Shares comprised in an award.

10.5 The easyJet Long Term Incentive Plan

10.5.1 Individual limits

In the ordinary course, the maximum value of Shares that may be subject to an award in any financial year is 250% of the participant's annual base salary. In exceptional circumstances, this limit may be increased to 300% of the participant's annual salary.

10.5.2 Terms of awards

Awards under the LTIP vest after three years, subject to the achievement of corporate performance conditions (currently, EPS, ROCE and TSR, other than for awards granted in December 2020 which are subject solely to TSR performance conditions) measured over a three year period. The Committee retains discretion to adjust the extent to which LTIP awards vest as a result of the formulaic outcome of performance conditions, to ensure the value delivered to participants remains appropriate relative to the performance of the Group, general Shareholder experience and wider workforce impact.

Awards are subject to a two-year post-vesting holding period, pursuant to which participants must retain the post-tax value of Shares received on vesting/exercise.

10.6 The easyJet Long Term and Matching Share Plan

10.6.1 Terms of Awards

Under the LTMSPP, participants are ordinarily granted awards over Shares in the form of nil-cost options. The Committee may determine the vesting period applicable to awards, and whether the vesting of awards will be subject to the achievement of performance conditions. Awards granted subject to performance conditions ordinarily vest on the third anniversary of grant.

10.7 The easyJet Deferred Share Bonus Plan

10.7.1 General

Under the DSBP, participants are ordinarily granted awards over Shares in the form of nil-cost options. Awards represent the deferral of a proportion of bonuses earned under any annual bonus scheme which the Company may operate from time to time.

10.7.2 Terms of awards

Awards under the DSBP vest after three years. Awards are subject to continued employment but not to any further achievement of performance conditions, as they represent deferral of previously earned bonuses.

10.8 The easyJet UK Sharesave Plan

10.8.1 General

The UK Sharesave is an HM Revenue & Customs tax-advantaged scheme. Under the UK Sharesave, employees are granted options to acquire Shares using the proceeds of a monthly savings contract (currently a minimum of £5 per month and a maximum of £500 per month) over a period of three years.

10.8.2 Eligibility

The UK Sharesave is open to all UK employees of participating companies who meet any specified qualifying period of service.

10.8.3 Exercise price

Participants are granted an option to acquire Shares at a price set at a discount of up to 20% of the market value of the Shares at the date of invitation. No discount was applied in setting the exercise price for UK Sharesave options granted in 2020.

10.8.4 Terms of options

In normal circumstances, at the end of their savings contract, participants may use the proceeds of that contract to exercise their option. The UK Sharesave rules contain provisions covering cessation of employment and change of control scenarios.

10.8.5 Variation of capital

On any variation of the Company's share capital, the Committee may make such adjustments as it considers appropriate to the number of Shares in respect of which any option may be exercised and/or the exercise price, provided that the aggregate values of Shares under option and the aggregate exercise price remains substantially the same after such adjustment.

10.8.6 International employees

The Company operates the International Sharesave as an equivalent scheme to the UK Sharesave for employees who work outside of the United Kingdom, which is compliant with applicable local regulations.

10.9 The easyJet Share Incentive Plan

10.9.1 General

The SIP operates in the United Kingdom as an HM Revenue & Customs tax advantaged scheme. Under the SIP, employees may be awarded and/or acquire Shares which are held on behalf of the participant in a trust established by the Company.

10.9.2 Eligibility

The SIP is open to all employees of participating companies who meet any specified qualifying period of service.

10.9.3 Form of awards

The SIP provides for the following types of award:

- Partnership Shares, which are Shares purchased by participants from deductions made from their monthly pre-tax salary up to the statutory annual limit of (currently) £1,800, or 10% of the participant's salary for the year if less;
- Matching Shares, which are nil-cost awards of Shares, awarded for each Partnership Share acquired, up to a maximum statutory ratio of two Matching Shares for every Partnership Share acquired. In practice, the Company operates a one for one Matching Share ratio up to a maximum value of £1,500 per annum (this matching element was suspended from April 2020);
- Free Shares, which are nil-cost awards of Shares up to the statutory annual limit of (currently) £3,600. In practice the Company operates a maximum of £3,000 and awards Free Shares dependent upon satisfaction of a profit target); and/or
- Dividend Shares, which are Shares acquired on behalf of the participant with dividends declared on the Shares held in the SIP trust.

10.9.4 Terms of awards

Performance (Free) and Matching Shares under the SIP are subject to a holding period of three years. Awards are subject to continued employment and (in the case of Matching Shares) the retention of the underlying partnership shares. Partnership Shares, which are purchased by participants, are not subject to a holding period and may be withdrawn at any time.

Participants may elect for the dividends on SIP Shares to either be reinvested into Dividend Shares as referred to above or paid out in cash. Any Dividend Shares acquired are subject to a three year holding period.

Participants are entitled to vote UK SIP Shares.

10.9.5 Variation of capital

In the case of a variation of the Company's share capital, Shares held in the SIP will be treated in the same way as other Shares. The Trustee of the SIP trust will undertake a Cashless Take-up (or "tail-swallow") in respect of all SIP Shares.

10.9.6 International Employees

The Company operates the International SIP for employees who work outside of the United Kingdom, which is compliant with applicable local regulations. Awards under the International SIP take the form of Performance (Free) Shares as referred to in paragraph 10.9.3 above. Participants may choose to re-invest any dividends declared on International SIP Shares into Dividend Shares. In addition, certain Swiss employees have historically participated in a non-tax-advantaged schedule to the SIP; Shares are held by the trustee of the SIP trust on behalf of these Swiss employees.

International SIP awards granted to French employees are intended to obtain favourable tax treatment in accordance with the relevant statutory regime.

10.10 easyJet Outstanding awards

As at the Latest Practicable Date, options and awards outstanding under each of the Employee Share Schemes were as follows:

<u>Employee Share Scheme</u>	<u>Number of Shares subject to options or awards</u>
LTIP	2,500,265
LTMSP	645,374
DSBP	62,599
UK Sharesave	5,899,343
International Sharesave	3,284,541
International SIP	583,993
Total	<u>12,976,115</u>

10.11 The easyJet Employee Benefit Trust

The EBT has been established to operate in conjunction with easyJet's employee share schemes and provides easyJet with flexibility in the sourcing of Shares. The trustee of the EBT is an independent Jersey-incorporated trustee. The trustee of the EBT may be funded by way of contributions or loans made by the Company to purchase Shares in the market, to be used for the benefit of the beneficiaries of the EBT. As at the Latest Practicable Date, 173,694 Shares were held in the EBT, which may be used to satisfy awards made under the Employee Share Schemes and other employee share incentive arrangements operated by the Company. The beneficiaries of the EBT are the employees and former employees of the Group. The EBT trustees shall not hold or acquire more than 5% of the ordinary share capital of the Company in issue from time to time.

11. Pensions

easyJet offers a defined contribution plan with the same monthly employer contributions as those offered to eligible employees in the wider UK workforce (i.e. up to 7% of base salary); or a cash alternative to the equivalent value less employer's National Insurance contribution costs. easyJet operates a pension salary sacrifice arrangement whereby all UK employees can exchange part of their base salary for Company-paid pension contributions. Where employees exchange salary this reduces employer National Insurance contributions. easyJet credits half of this reduction (currently 6.9% of the base salary exchanged) to the individual's pension plan.

12. Significant shareholders

In so far as it is known to the Company as at the Latest Practicable Date, the following persons were directly or indirectly interested (within the meaning of the Companies Act 2006) in 3% or more of the Company's issued share capital:

Shareholder	Interest as at the Latest Practicable Date ⁽¹⁾		Interest immediately following Admission ⁽¹⁾⁽²⁾	
	No.	% of total issued share capital	No.	% of total issued share capital
Haji-loannou Family Concert Party Shareholding ⁽³⁾	115,737,821	25.34%	192,075,533	25.34%
Ninety One UK Limited ⁽⁴⁾	19,470,807	4.26%	32,313,254	4.26%
Phoenix Asset Management Partners Limited ⁽⁵⁾	16,568,042	3.63%	27,495,899	3.63%

- (1) Based on the total number of Existing Shares in issue at the Latest Practicable Date, which was 456,749,631 Shares of £0.272857 each.
- (2) Assuming that each of the above Shareholders takes up its rights in full pursuant to the Rights Issue, 301,260,394 New Shares are issued in connection with the Rights Issue, there are no other changes to the holdings of the above Shareholders and no other issues of Shares occur between the Latest Practicable Date and Admission.
- (3) Consisting of easyGroup Holdings Limited (holding vehicle for Sir Stelios Haji-loannou and Clelia Haji-loannou) and Polys Haji-loannou (through his holding vehicle Polys Holding Limited). easyGroup Holdings Limited is a company incorporated under the laws of Monaco whose registered office is at Le Ruscino, 14 Quai Anoine 1er, MC 98000 Monaco. easyGroup Holdings Limited is controlled by Sir Stelios Haji-loannou and Clelia Haji-loannou. Polys Holding Limited is a registered private company incorporated under the laws of Jersey and whose registered office is at 1 Waverley Place, Union Street, St Helier, Jersey, JE4 8SG. Polys Holding Limited is controlled by Polys Haji-loannou.
- (4) Ninety One UK Limited is a private limited company incorporated under the laws of England and Wales with registered number 02036094 and whose registered office is at 55 Gresham Street, London, England, EC2V 7EL. Ninety One UK Limited is controlled by Investec plc.
- (5) Phoenix Asset Management Partners Limited is a private limited company incorporated under the laws of England and Wales with registered number 03514660 and whose registered office is at 64-66 Glentham Road, Barnes, London, SW13 9JJ. Phoenix Asset Management Partners Limited is controlled by its management team.

Save as disclosed above, the Directors are not aware of any interest which will represent an interest in easyJet's share capital or voting rights which is notifiable under the Disclosure Guidance and Transparency Rules following Admission occurring.

The Company is not aware of any persons, who, as at the Latest Practicable Date, directly or indirectly, jointly or severally exercise or could exercise control over the Company, nor are they aware of any arrangements the operation of which may at a subsequent date result in a change in control over the Company.

There are no differences between the voting rights enjoyed by the shareholders described in this paragraph 12 and those enjoyed by any other holder of Shares.

13. Mandatory bids and compulsory acquisition

The Takeover Code is issued and administered by the Panel on Takeovers and Mergers. The Company is subject to the Takeover Code and therefore Shareholders are entitled to the protection afforded by the Takeover Code.

13.1 Mandatory bids

Under Rule 9 of the Takeover Code (1) when a person acquires an interest in shares which (taken together with the shares in which he or she and persons acting in concert with him or her are interested) carry 30% or more of the voting rights of a company subject to the Takeover Code; or (2) where a person, together with persons acting in concert with him or her is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company, but does not hold shares carrying more than 50% of the voting rights of the company subject to the Takeover Code, and such person, or any persons acting in concert with him or her, acquires an interest in any other shares which increases the percentage of the shares carrying voting rights in which he or she is interested, then in either case, that person together with the person acting in concert with him or her, is normally required to extend offers in cash, at the highest price paid by him or her (or any persons acting in

concert with him or her) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital of that company whether voting or non-voting and also to the holders of any other transferable securities carrying voting rights.

13.2 Squeeze-out

Under the Companies Act 2006, if a “takeover offer” (as defined in section 974 of the act) is made for a company’s shares and the offeror were to acquire or unconditionally contract to acquire, not less than 90% in value of the shares to which the offer relates and not less than 90% of the voting rights attached to those shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10%. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their shares to which the offer relates and then, six weeks later, it would execute a transfer of the outstanding shares under the takeover offer in its favour and pay the consideration to the company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Companies Act 2006 must, in general, be the same as the consideration that was available under the takeover offer.

13.3 Sell-out

The Companies Act 2006 also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90% of the shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those shares, on the terms of the offer or on such other terms as may be agreed.

14. Material contracts in respect of the Group

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

14.1 Underwriting Agreement

On 9 September 2021, the Company entered into the Underwriting Agreement with the Banks. Pursuant to the terms and conditions of the Underwriting Agreement the Underwriters have severally agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers, or failing which, the Underwriters will themselves severally subscribe for their proportionate share of New Shares not taken up under the Rights Issue or will procure sub-Underwriters to do so, in each case, at the Issue Price.

In consideration of the services of the Underwriters under the Underwriting Agreement, and subject to their obligations under the Underwriting Agreement having become unconditional and the Underwriting Agreement not being terminated, the Company has agreed to pay a base commission of 2.25% and a discretionary commission of 0.25% payable on the New Shares at such times and in such proportions as between the Underwriters as contained in the Underwriting Agreement.

The Company has also agreed, regardless of whether the Underwriters’ obligations under the Underwriting Agreement become unconditional or the Underwriting Agreement is terminated, that the Company shall pay all costs and expenses properly incurred in connection with, or incidental to, the Rights Issue, Admission and the arrangements contemplated by the Underwriting Agreement.

The Company has given certain customary representations and warranties to the Banks as to the accuracy of the information contained in this document and other relevant documents, and in relation

to other matters relating to the Group. In addition, the Company has given customary indemnities to the Banks and certain indemnified persons connected with each of them.

The obligations of the Banks under the Underwriting Agreement are subject to certain customary conditions including, amongst others:

- the fulfilment by the Company of certain of its obligations under the Underwriting Agreement including the delivery of certain documents to the Underwriters, by the times and dates specified in the Underwriting Agreement; and
- Admission occurring on or before 8:00 a.m. (London time) on 14 September 2021 (or such later time and date as the Joint Global Coordinators and the Company may agree).

In certain circumstances, including among others, where there has been a material adverse change or the occurrence of certain force majeure events, or where any of the conditions are not satisfied (or, where capable of being waived, are not waived by the Joint Global Coordinators) or shall have become incapable of being satisfied by the required time and date, the Banks may terminate the Underwriting Agreement. The Rights Issue will become fully unconditional at Admission. Following Admission, the Underwriting Agreement will not be subject to any condition or right of termination (including in respect of statutory withdrawal rights).

The Company has given certain undertakings including an undertaking that it will not, without the prior written consent of the Joint Global Coordinators, undertake certain actions in relation to its share capital, including issuing further Shares, for a period of 180 days from the date for settlement of the Underwriters' payment obligations to the Company in respect of the New Shares pursuant to the Underwriting Agreement, subject to certain exceptions, including the issue of the New Shares.

14.2 Euro Medium Term Note Programme

On 7 January 2016, the Group established a Euro Medium Term Note Programme (the "**EMTN Programme**") which provides the Group with a standardised documentation platform to allow for senior unsecured debt to be issued in the Eurobond markets. As at the date of this document the maximum potential issuance under the EMTN Programme is £3,000 million.

Under the EMTN Programme, the following notes (the "**Notes**") issued by the relevant issuing Group entity (the "**Issuer**") remain outstanding:

- February 2016: Eurobonds consisting of €500 million guaranteed Notes paying an annual fixed coupon of 1.75% and maturing in February 2023, unless redeemed, purchased or cancelled prior thereto;
- October 2016: Eurobonds consisting of €500 million guaranteed Notes paying an annual fixed coupon rate of 1.125% and maturing in October 2023, unless redeemed, purchased or cancelled prior thereto;
- June 2019: Eurobonds consisting of €500 million guaranteed Notes paying an annual fixed coupon rate of 0.875% and maturing in June 2025, unless redeemed, purchased or cancelled prior thereto; and
- February 2021: Eurobonds consisting of €1,200 million guaranteed Notes paying an annual fixed coupon rate of 1.875% and maturing in March 2028, unless redeemed, purchased or cancelled prior thereto.

The principal amount outstanding under the Notes is €2,700 million. The terms of each series of Notes contain a customary form negative pledge, events of default and a holder put right at par on the occurrence of a change of control that also results in a ratings downgrade, as more fully described in the terms and conditions of the Notes. In addition, the Issuer of the Notes may call the relevant Notes in certain circumstances.

14.3 UK Export Finance Facility

On 8 January 2021, easyJet Airline Company Limited ("**EACL**") entered into a five-year secured term loan facility of up to US\$1,870 million (approximately £1,400 million) (the "**Facility**") provided by a syndicate of banks and supported by a partial guarantee from UK Export Finance ("**UKEF**") under UKEF's Export Development Guarantee scheme. EACL's obligations under the Facility are guaranteed by the Company. The Facility is secured against a portion of EACL's fleet of Airbus A320 aircraft. The

interest rate payable by EACL on any amounts drawn under the Facility is LIBOR plus 2.75% per annum.

The Facility contains certain restrictive covenants including with respect to dividend payments, which are compatible with the Company's existing dividend policy, executive director remuneration, which is consistent with the Company's existing remuneration policy, and material or non-ordinary course transactions, which is compatible with the Company's current strategy and financial policy review. The Facility does not contain any financial covenants. In the event of a breach of the covenants contained in the Facility, subject to certain exceptions, an event of default would be triggered and the agent would be entitled to accelerate the loan and direct the security agent to enforce the security. An initial drawdown of US\$1,050 million (the "**Initial Drawdown**") was made under the Facility on 22 January 2021, leaving US\$820 million of the Facility currently undrawn. The proceeds of the Initial Drawdown were used, in part, to prepay in full EACL's US\$500 million secured revolving credit facility and two secured term loans of approximately £400 million in aggregate.

14.4 Covid Corporate Financing Facility

On 31 March 2020, the Company established a commercial paper programme in order to participate in the Bank of England's Covid Corporate Financing Facility ("**CCFF**"). On 6 April 2020, the Company issued £600 million commercial paper (the "**CP Notes**") under the programme. In accordance with the terms of the CCFF funding, the CP Notes were issued at a discount of 0.425852% and do not bear interest. The first £300 million tranche of CP Notes was repaid in March 2021 and the balance is to be repaid on 18 November 2021. Pursuant to the rules of the CCFF, the Company may request the early redemption of the CP Notes and the acceptance of any such early redemption request by the Company is at the discretion of the Bank of England and HM Treasury.

14.5 New Revolving Credit Facility

On 9 September 2021, EACL as borrower entered into a US\$400 million revolving credit facility (the "**New Revolving Credit Facility**"). EACL's obligations under the New Revolving Credit Facility are guaranteed by the Company. Loans made under the New Revolving Credit Facility will be secured against a portion of EACL's fleet of Airbus A320 family aircraft.

Advances under the New Revolving Credit Facility may be used for general corporate purposes. The rate of interest on each loan made under the New Revolving Credit Facility is the aggregate of the margin of 1.5% per annum and LIBOR (which will automatically switch to a risk free rate for USD in 2023, following LMA and market conventions).

The loans made under the New Revolving Credit Facility are available until the date that is four years after the date of the New Revolving Credit Facility, subject to EACL having the option to extend the availability of the loans by up to two extensions, each for a period of one year. EACL has the right to voluntarily prepay any part of a loan under the New Revolving Credit Facility prior to the termination date. The New Revolving Credit Facility does not contain any financial covenants.

The New Revolving Credit Facility is governed by English law.

14.6 Airbus Purchase Agreement

On 17 June 2013, EACL entered into an aircraft purchase agreement with Airbus S.A.S ("**Airbus**") in relation to the purchase by EACL of 100 Airbus A320neo for delivery between 2017 and 2022 and the grant of purchase rights to EACL in respect of a further 100 Airbus A320neo aircraft (the "**Airbus Purchase Agreement**"). EACL's obligations under the Airbus Purchase Agreement are guaranteed by the Company.

Under the Airbus Purchase Agreement, EACL has the flexibility to convert an Airbus A320neo aircraft to either an Airbus A319neo aircraft or an Airbus A321neo aircraft subject to agreement with Airbus.

All aircraft purchased by EACL under the terms of the Airbus Purchase Agreement are subject to a significant discount from list price (being the sum of the airframe list price, new engine option list price and the price of certain assumed specification change notices ("**SCNs**")) against which price concessions (in the form of credit memoranda) are made. The Airbus Aircraft 2012 Average List Prices, as published on 18 January 2012, were as follows:

- A319neo aircraft: US\$88.8 million

- A320neo aircraft: US\$96.7 million
- A321neo aircraft: US\$113.3 million

The final cost of each aircraft is subject to adjustments including: (i) the cost of “Seller-furnished” equipment which EACL has asked Airbus to install on the aircraft, (ii) price escalation will be applied to the airframe list price, the engine option list price and the price of SCNs, by applying a formula reflecting increases in the published relevant labour and material indices between the time the aircraft list price was set and the delivery of such aircraft and (iii) design specifications of the aircraft. EACL is responsible for the payment of any taxes (including VAT) except for taxes relating to the manufacture of the aircraft in, *inter alia*, France and/or Germany, which will be payable by Airbus.

EACL is required to make certain pre-delivery payments in respect of each aircraft, representing a portion of the PDP Reference Price for that aircraft prior to its delivery. The balance of the final aircraft price, after taking account of the escalation factor and deduction of any credit memoranda and other concessions, is due at the time of delivery.

The Airbus Purchase Agreement includes typical warranties, required maintenance, avionics and other technical support which are critical to the operation of the Group’s fleet.

The Airbus Purchase Agreement is subject to the following termination provisions:

- Airbus may terminate the Airbus Purchase Agreement for, among other reasons, non-payment by EACL of pre-delivery payments, failure by EACL to take delivery of an aircraft when required to do so or EACL becomes insolvent or is subject to insolvency proceedings.
- EACL may terminate the Airbus Purchase Agreement for, among other reasons, Airbus becomes insolvent or is subject to insolvency proceedings or the scheduled delivery of an aircraft is unduly delayed (provided that in this circumstance EACL’s termination right only applies in respect of the affected aircraft).
- If any scheduled delivery of an aircraft is delayed for a certain period after the scheduled month of delivery because of an “excusable delay” (being a delay due to causes outside of Airbus’ control), either party will have the right to terminate the Airbus Purchase Agreement with respect to the affected aircraft.
- If delivery of an aircraft is delayed for any reason other than an excusable delay or the total loss of an aircraft (a “**non-excusable delay**”), Airbus is obliged to pay certain liquidated damages to EACL limited to a maximum agreed amount.
- The termination rights described above are without prejudice to either party’s rights and remedies available at law.

The rights and obligations of the parties under the Airbus Purchase Agreement may not (subject to certain exceptions) be assigned or transferred without the consent of the non-transferring party, which shall not be unreasonably withheld.

The Airbus Purchase Agreement also gives EACL delivery date flexibility in that it allows EACL to modify the timing of a proportion of aircraft deliveries.

In light of the impact of the COVID-19 pandemic, the delivery profile under the Airbus Purchase Agreement has been re-organised. These changes, executed between April 2020 and December 2020, result in EACL taking no deliveries in the financial year ending 30 September 2021, eight deliveries in the financial year ending 30 September 2022, seven deliveries in the financial year ending 30 September 2023 and eighteen deliveries in the financial year ending 30 September 2024, with no change to the total number of firm Airbus A320neo family aircraft outstanding orders. The changes also result in a re-phasing of the pre-delivery payment cash flows of the order book due to the later dates of delivery.

EACL has retained options to increase its deliveries in the financial year ending 30 September 2023 to 30 aircraft, reflecting an acceleration of deliveries from future financial years. This option to accelerate is subject to Airbus’ normal commercial and industrial constraints and is exercisable by 31 December 2021.

In connection with the Airbus Purchase Agreement, on 13 July 2014, EACL entered into an agreement (the “**CFM Agreement**”) with CFM International, SA (“**CFM**”) confirming that EACL had selected the LEAP-1A engine (“**LEAP**”) as the engine to be installed on the Aircraft to be delivered under the

Airbus Purchase Agreement. Under the CFM Agreement, CFM agreed to provide LEAP engines for the 100 Airbus A320neo to be delivered by Airbus between 2017 and 2022 and for any of the further 100 Airbus A320neo aircraft in respect of which EACL has purchase rights under the Airbus Purchase Agreement. As a result of the CFM Agreement, CFM will provide EACL with substantial credits (the “**CFM Concession**”) which are applied against the purchase price payable by EACL for each Aircraft delivered with a LEAP engine under the Airbus Purchase Agreement.

The final calculation of the CFM Concession is subject to adjustments relating to price escalation by applying a formula reflecting increases in the published relevant labour and material indices between a base date and the contracted date of delivery of the Aircraft or engine.

The CFM Agreement contains warranties and guarantees concerning the performance of the engines (both delivered with the Aircraft and delivered as spare engines).

14.7 Amended Brand Licence

The Group licences the “easyJet” brand from easyGroup Ltd, a wholly owned subsidiary of easyGroup Holdings Limited, an entity in which the Group’s founder, Sir Stelios Haji-loannou, holds a beneficial interest. Under the terms of the Amended Brand Licence, an annual royalty of 0.25% of total annual statutory consolidated revenue (net of revenue taxes) is payable by the Group to easyGroup Ltd. The Amended Brand Licence will operate for a 50 year period, terminating on 10 October 2060, and is subject to a commitment by both parties to hold good faith negotiations to discuss renewal on the 47th anniversary of the Amended Brand Licence. Such negotiations are to be completed within one year of their commencement. easyJet is able to terminate with one years’ notice (or sooner if there is a material breach by easyGroup Ltd). easyGroup Ltd may only terminate the Amended Brand Licence in limited circumstances, including in the event of a material breach by easyJet or if easyJet enters into insolvency.

The Amended Brand Licence provides the Group with worldwide rights to use the “easyJet” brand on a basis which protects the Group’s current commercial activities. Under the terms of the Amended Brand Licence, the Group is granted rights to use the brand for business activities, including commercial passenger air travel in commercial planes and ancillary services, such as car hire and hotel arrangements and package holidays through easyJet Holidays, as well as other activities. The Amended Brand Licence imposes certain minimum service levels that easyJet must meet in order to retain the right to use the name and brand, including the on-time performance on arrivals, cancellations, delays and lost bags.

At the time the Amended Brand Licence was signed, a new brand protection protocol was also agreed, under which the Group agreed to contribute up to £1 million per annum to meet the costs to protect the “easy” and “easyJet” brands and easyGroup Ltd agreed to contribute up to £100,000 per annum (the “**Brand Protocol**”). Under the Brand Protocol, beyond the first £1.1 million of costs cumulatively contributed by both parties, the Group can commit up to £5 million annually to meet brand protection costs, with easyGroup Ltd continuing to meet its share of costs on a 10:1 ratio.

15. Significant change

Save as set out below, there has been no significant change in the financial position or financial performance of the Group since 31 March 2021, being the date to which the last interim financial information has been published.

In the period since 31 March 2021, the Group has continued to trade in line with management expectations.

As stated in the easyJet trading update for the third quarter ended 30 June 2021 made available to shareholders on 20 July 2021, for the three months ended 30 June 2021, the Group had total revenue of £212.9 million (as compared to £7.2 million for the three months ended 30 June 2020), headline costs of £531.2 million (as compared to £354.0 million for the three months ended 30 June 2020) and a headline loss before tax of £318.3 million (as compared to £346.8 million for the three months ended 30 June 2020). The Group paid a further £122 million in customer refunds for the three months ended 30 June 2021, with a cumulative total of £1,200 million in customer refunds since the beginning of the COVID-19 pandemic. The total value of flight vouchers in issuance as at 30 June 2021 was approximately £230 million. The Directors expect the Group’s capacity in the fourth quarter of 2021 to be approximately 57% of Q4 2019 capacity levels, which is a significant increase compared to Q3

2021, when easyJet flew 17% of Q3 2019 capacity, and an increase of up to 150% from the fourth quarter of 2020.

16. Related party transactions

Save as disclosed in the information incorporated by reference into this document referred to below, the Company entered into no transactions with related parties during the years ended 30 September 2020, 2019 and 2018.

- Note 28 of the Notes to the Accounts for easyJet for the year ended 30 September 2020 which can be found at page 183 of the easyJet Annual Report 2020; and
- Note 28 of the Notes to the Accounts for easyJet for the year ended 30 September 2019 which can be found at page 173 of the easyJet Annual Report 2019; and
- Note 27 of the Notes to the Accounts for easyJet for the year ended 30 September 2018 which can be found at page 149 of the easyJet Annual Report 2018.

For the period from and including 1 October 2020 to the Latest Practicable Date, there were no new related party transactions entered into by the Company, other than: (i) as disclosed in Note 15 of the Notes to the results for easyJet for the six months ending 31 March 2020 which can be found on page 46 of the easyJet Half-Year Results 2021; and (ii) the irrevocable undertakings which the Company entered into with each of the Directors in connection with the Rights Issue (see paragraph 6 of Part VII (*Details of the Rights Issue*) of this document for information).

17. Litigation

17.1 General

Save as set out below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.

17.2 Cyber-attack on the Group's customer databases

On 19 May 2020, the Group announced that it had been the target of a highly sophisticated cyber-attack which compromised the email addresses and travel details of approximately nine million customers. A small subset of 2,208 customers had their payment card details accessed.

As soon as the Group became aware of potential unusual activity on some of its systems, it took immediate steps to respond and manage the incident, including launching an investigation with the support of leading experts and informing the National Cyber Security Centre. Investigations revealed that the Group was the victim of a cyber-attack and the Group notified the Information Commissioner's Office ("ICO"). Customers whose payment card details were accessed were notified in April 2020. In May 2020, out of an abundance of caution, the Group sent notifications to the approximately 9 million customers email addressed affected by the cyber-attack.

The ICO has opened an investigation into the cyber-attack. Discussions continue to be held with the ICO and no provisions has been recognised in the Group's accounts to date. A class action law firm has also filed a group claim against the Company in the High Court of England and Wales and claims have also been commenced or threatened in certain other courts and jurisdictions. The likely outcome and potential impact on the Group of the investigation by the ICO, group action and other claims are subject to a number of significant uncertainties and therefore the Group is unable to assess the likely outcome or quantum of the claims at today's date.

18. Auditors

PwC, a member firm of the Institute of Chartered Accountants in England and Wales is the Company's auditor and audited the accounts of the Company for the years ended 30 September 2020, 2019 and 2018.

19. Consents

Each of BNP Paribas, Credit Suisse, Goldman Sachs, Santander and Société Générale and Greenhill has given and not withdrawn its written consent to the inclusion in this document of references to its name.

20. General

The total costs and expenses (inclusive of VAT) payable by the Group in connection with the issue and Admission of the New Shares are estimated to be approximately £39 million. There are no amounts payable to financial intermediaries.

21. Documents available for inspection

Copies of the following documents will be available for inspection on the Company's website at <https://corporate.easyjet.com/investors/rights-issue> for a period of 12 months following Admission:

- the Memorandum of Association and Articles of Association;
- the easyJet Half-Year Results 2021, the easyJet Annual Report 2020, the easyJet Annual Report 2019 and the easyJet Annual Report 2018; and
- this document.

This Prospectus is dated 9 September 2021.

PART XVIII
DOCUMENTATION INCORPORATED BY REFERENCE

The easyJet Half-Year Results 2021, the easyJet Annual Report 2020, the easyJet Annual Report 2019 and the easyJet Annual Report 2018 are available for inspection in accordance with paragraph 21 of Part XVII (*Additional Information*) of this document.

The table below sets out the various sections of the documents referred to above which are incorporated by reference into, and form part of, this document so as to provide certain information required pursuant to the Prospectus Regulation Rules, and only the parts of the documents identified below are incorporated into, and form part of, this document. Any parts of the following documents which are not incorporated by reference into this document are either not relevant for the investor or covered elsewhere in this document. To the extent that any part of the information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document. The sections of the documents referred to above which are incorporated by reference, into, and form part of, this document have been incorporated by reference into this document in compliance with Article 19 of the UK Prospectus Regulation.

Reference	Information incorporated by reference	Page number(s)
For the six months ended 31 March 2021		
easyJet Half-Year Results 2021	Independent Auditor Review Report	48-50
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easyJet Annual Report 2020	Leveraging our strengths-”Results” and “Covid-19”	8-9
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easyJet Annual Report 2019	Our performance	10
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	Chief Executive’s review-Our plan for the future	16 -18
	Key performance indicators—Measuring our performance	26-27
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The easyJet Half-Year Results 2021 can be viewed on the Company's website at <https://corporate.easyjet.com/investors/reports-and-presentations/2021>

The easyJet Annual Report 2020 can be viewed on the Company's website at <https://corporate.easyjet.com/investors/reports-and-presentations/2020>

The easyJet Annual Report 2019 can be viewed on the Company's website at <https://corporate.easyjet.com/investors/reports-and-presentations/2019>

The easyJet Annual Report 2018 can be viewed on the Company's website at <https://corporate.easyjet.com/investors/reports-and-presentations/2018>

Any statement which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

PART XIX
DEFINITIONS

The following definitions shall apply throughout this document unless the context requires otherwise:

“Admission”	the admission of the New Shares (nil paid) to the premium listing segment of the Official List and to trading on the LSE’s Main Market for listed securities becoming effective
“ADR”	the American depositary receipts issued by the Depositary pursuant to the terms of the Deposit Agreement in respect of the ADSs
“ADS”	each American depositary share representing the rights and interest in the Shares evidenced by the ADRs
“Airbus Aircraft 2012 Average List Prices”	the average price list issued by Airbus published on 18 January 2012, effective from 1 January 2012
“Airline Management Board”	the airline management board outlined in page 84 to 86 of the 2020 Annual Financial Statements, as amended from time to time
“Amended Brand Licence”	the amended brand licence dated 10 October 2010 entered into between easyJet plc, EACL and easyGroup Ltd Limited
“Annual Financial Statements”	The 2018 Financial Statements, the 2019 Annual Financial Statements and the 2020 Annual Financial Statements
“Articles of Association” or “Articles”	the articles of association of the Company
“Audit Committee”	the audit committee established by the Board to monitor financial risks in the Company’s businesses, as described in paragraph 4.3 of Part XI (<i>Directors, Senior Managers and Corporate Governance</i>) of this document
“Auditors”	PwC
“Banks”	BNP Paribas, Credit Suisse, Goldman Sachs, Santander, Société Générale and Greenhill
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in London
“Cashless Take-up”	selling some Rights and using the proceeds to take up remaining Rights
“CCFF”	the joint Bank of England and HM Treasury’s lending facility, under which the Bank of England, acting through an entity named Covid Corporate Financing Facility Limited, may acquire commercial paper which is issued by a participating eligible company
“Chairman”	the Non-Executive Chairman of easyJet, John Barton
“CHAPS”	Clearing House Automated Payment System
“Companies Act 2006”	the UK Companies Act 2006, as amended, and the regulations made thereunder
“Company” or “easyJet”	easyJet plc, a company registered in England and Wales with registered number 03959649
“Committee”	a committee of the Board
“Credit Suisse”	Credit Suisse International
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland is the operator

“CREST Manual”	the CREST International Manual
“CREST Regulations” . . .	the Uncertificated Securities Regulations 2001
“CSN Form of Instruction”	the CSN form of instruction to be issued to Qualifying Non-CREST Shareholders who hold Existing Shares within the Nominee Service
“Depository”	Citibank, N.A.
“Deposit Agreement” . . .	the deposit agreement entered into between the Company, the Depository and the holders of the ADRs on 24 July 2017 establishing an American depository receipt facility with the Depository to provide for the deposit of certain Shares, the creation of ADSs representing the Shares so deposited and the issue of ADRs in respect of such ADSs
“Directors”	the directors of easyJet whose names appear in Part IV (<i>Directors, Company Secretary, Registered Office and Advisers</i>) of this document
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part 6 of the FSMA
“easyJet Annual Report 2018”	the Company’s annual report published in 2018 and incorporated by reference into this document
“easyJet Annual Report 2019”	the Company’s annual report published in 2019 and incorporated by reference into this document
“easyJet Annual Report 2020”	the Company’s annual report published in 2020 and incorporated by reference into this document
“easyJet Half-Year Results 2021”	the Company’s half-year results published in 2021 and incorporated by reference into this document
“EACL”	easyJet Airline Company Limited
“EBT”	the Company’s employee benefit trust, incorporated pursuant to a trust deed dated 23 August 2013
“EEA State”	a state which is a contracting party to the agreement on the European Economic Area signed on 2 May 1992, as it has effect for the time being
“Employee Share Schemes”	has the meaning given in paragraph 10 of Part XVII (<i>Additional Information</i>) of this document
“Enlarged Issued Share Capital”	the Company’s ordinary issued share capital following completion of the Rights Issue
“Equiniti”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom
“Equiniti Financial Service Limited”	the regulated entity providing nominee services to the Company in relation to the Nominee Service and Special Dealing Service, registered address Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. Authorised and regulated by the Financial Conduct Authority
“ESMA”	the European Securities and Markets Authority
“ESMA Recommendations” . . .	ESMA’s update of the CESR recommendations: The consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (ESMA/2013/319)
“EU” or “European Union”	the European Union
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST

“Excluded Territories”	Australia, Canada (subject to certain limited exceptions), Japan, New Zealand, South Africa, the United States (subject to certain limited exceptions) and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law or regulation
“Executive Directors”	Johan Lundgren, the Chief Executive Officer and Kenton Jarvis, the Chief Financial Officer
“Existing Shares”	in relation to a particular date, the Shares existing as at that date
“Ex-Rights Date”	8:00 a.m. (London time) on 13 September 2021
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fully Paid Rights”	rights to subscribe for the New Shares, fully paid
“Goldman Sachs”	Goldman Sachs International
“Greenhill”	Greenhill & Co. International LLP
“Government”	Her Majesty’s Government of the United Kingdom
“Group”	easyJet, its subsidiary undertakings from time to time (as defined in the Companies Act 2006)
“HMRC”	Her Majesty’s Revenue and Customs
“IFRS”	International Financial Reporting Standards as adopted by the European Union
“IRS”	the Internal Revenue Service of the United States
“ISIN”	International Security Identification Number
“Issue Price”	410 pence, the price at which New Shares will be issued to Qualifying Shareholders subscribing for New Shares to the Rights Issue
“Joint Global Coordinators”	BNP Paribas, Credit Suisse and Goldman Sachs
“Latest Practicable Date”	8 September 2021, being the latest practicable date prior to the publication of the Prospectus
“Listing Rules”	the listing rules made by the FCA pursuant to Part 6 of the FSMA
“LSE”	London Stock Exchange plc
“Main Market”	the LSE’s Main Market for listed securities
“MAR”	the UK version of the Market Abuse Regulation (Regulation (EU) 596/2014) and its delegated and implementing regulations, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended and supplemented
“Memorandum of Association”	the memorandum of association of the Company
“MTM”	many-to-many
“New Revolving Credit Facility”	has the meaning given in paragraph 14.5 of Part XVII (<i>Additional Information</i>) of this document
“New Shares”	the new Shares to be issued by the Company pursuant to the Rights Issue
“Nil Paid Rights”	New Shares, nil paid, to be provisionally allotted by the Company pursuant to the Rights Issue
“Nomination Committee”	the director nomination committee established by the Board to consider and make recommendations to the Board concerning the composition of

	the Board, as described in paragraph 4.3 of Part XI (<i>Directors, Senior Managers and Corporate Governance</i>)
“Nominee Service”	the easyJet Corporate Sponsored Nominee Service provided by Equiniti Financial Services Limited
“Non-Executive Directors”	John Barton, Julie Southern, Stephen Hester, Dr Andreas Bierwirth, Catherine Bradley CBE, Nicholas Leeder, Moni Mannings and David Robbie
“Official List”	the Official List of the FCA
“Overseas Shareholders”	Shareholders or Qualifying Shareholders, as the context so requires, who have registered addresses, or who are located, outside the United Kingdom
“PDP Reference Price”	the pre-delivery payments for Airbus aircraft due to be delivered under the Airbus Purchase Agreement
“PFIC”	a passive foreign investment company for US federal income tax purposes
“PRA”	the Prudential Regulation Authority
“Prospectus”	this document
“Prospectus Regulation”	the Prospectus Regulation (Regulation (EU) 2017/1129)
“Prospectus Regulation Rules”	the prospectus rules made by the FCA under Part 6 of the FSMA
“Provisional Allotment Letter”	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders
“PwC”	PricewaterhouseCoopers LLP, 40 Clarendon Road, Watford WD17 1JJ, United Kingdom
“QIBs”	persons who are “qualified institutional buyers” as defined in Rule 144A under the US Securities Act
“QIB Investor Letter”	has the meaning given in paragraph 8.2 of Part IX (<i>Terms and Conditions of the Rights Issue</i>) of this document
“Qualified Investors”	persons in member states of the European Economic Area who are “qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation
“Qualifying Certificated Shareholders”	Shareholders whose Shares are on the Register on the Record Date and which are held in certificated form
“Qualifying CREST Shareholders”	Shareholders whose Shares are on the Register on the Record Date and which are held in uncertificated form and held through CREST
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Shares are on the Register on the Record Date and which are held in certificated form or through the Nominee Service
“Qualifying Shareholders”	Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders
“Receiving Agent”	Equiniti
“Record Date”	6:00 p.m. (London time) on 8 September 2021
“Register”	the register of members of the Company
“Registrar”	Equiniti
“Registrar of Companies”	the Registrar of Companies in England and Wales
“Regulation S”	Regulation S under the US Securities Act

“relevant member state”	a state which is a contracting party to the agreement on the European Economic Area signed on 2 May 1992, as it has effect for the time being
“Remuneration Committee”	the remuneration committee established by the Board to consider and make recommendations to the Board as to the remuneration of easyJet’s directors and senior executives, as described in paragraph 4.3 of Part XI (<i>Directors, Senior Managers and Corporate Governance</i>) of this document
“Rights”	the Nil Paid Rights or the Fully Paid Rights (or both) as the context may require
“Rights Issue”	the offer by way of rights to Qualifying Shareholders to subscribe for New Shares on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter or CSN Form of Instruction (as applicable)
“RIS”	Regulatory Information Service
“Rule 144A”	Rule 144A under the US Securities Act
“Santander”	Banco Santander, S.A.
“Scrip Dividend Scheme”	the process of creating new shares which are given free of charge to existing shareholders
“SDRT”	Stamp Duty Reserve Tax
“SEC”	the US Securities and Exchange Commission
“Securities”	together, the New Shares, the Nil Paid Rights, the Fully Paid Rights, the Provisional Allotment Letters and/or the CSN Forms of Instruction
“SEDOL”	Stock Exchange Daily Official List
“Senior Managers”	those members of the management bodies of the Company whose names appear in paragraph 2 of Part XI (<i>Directors, Senior Managers and Corporate Governance</i>) of this document
“Shareholder”	a holder of Shares
“Shares”	the ordinary shares of £0.272857 each in the capital of easyJet
“SIP”	the easyJet Share Incentive Plan
“SIX”	the SIX Swiss Exchange
“Société Générale”	Société Générale
“Special Dealing Service”	the dealing service being made available by Equiniti to Qualifying Non-CREST Shareholders who are individuals with a registered address in the United Kingdom who wish to sell all of their Nil Paid Rights or to effect a Cashless Take-up
“Special Dealing Service Terms and Conditions”	the terms and conditions of the Special Dealing Service
“Takeover Code”	The City Code on Takeovers and Mergers
“Temporary Non-Residents”	has the meaning given in paragraph 1.1.2 of Section A of Part XVI (<i>Taxation</i>) of this document
“Third Party”	any government or governmental, quasi-governmental, supra-national, statutory, administrative or regulatory body, authority, court, trade agency, association, institution, environmental body or any other person or body in any jurisdiction
“Treaty”	the income tax treaty between the United States and the United Kingdom

“UK Corporate Governance Code” . . .	the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018
“UK Prospectus Delegated Regulation”	the Delegated Prospectus Regulation (Regulation (EU) 2019/980) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended and supplemented
“UK Prospectus Regulation”	the Prospectus Regulation (Regulation (EU) 2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended and supplemented
“UK Temporary Permissions Regime”	the temporary permissions regime as prescribed under The EEA Passport Rights (Amendment, etc., and Transitional Provisions) (EU Exit) Regulations 2018
“Underwriters”	BNP Paribas, Credit Suisse, Goldman Sachs, Santander and Société Générale
“Underwriting Agreement”	the underwriting and sponsors’ agreement dated 9 September 2021 between and among the Company and the Banks
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Exchange Act” . . .	US Securities Exchange Act of 1934 (as amended)
“US Holder”	a beneficial owner of Shares that is, for US federal income tax purposes, (1) an individual citizen or resident of the United States, (2) a corporation created or organised under the laws of the United States or any State thereof, (3) an estate the income of which is subject to US federal income tax without regard to its source or (4) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for US federal income tax purposes
“US Securities Act” . . .	US Securities Act of 1933 (as amended)
“2018 Annual Financial Statements”	the consolidated financial statements of the Group as at and for the year ended 30 September 2018
“2019 Annual Financial Statements”	the consolidated financial statements of the Group as at and for the year ended 30 September 2019
“2020 Annual Financial Statements”	the consolidated financial statements of the Group as at and for the year ended 30 September 2020
“2021 Interim Financial Statements”	the consolidated financial statements of the Group as at and for the six months ended 31 March 2021

