



ADAPT IT HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1998/017276/06)

Share code: ADI

ISIN: ZAE000113163

("Adapt IT")



VOLARIS GROUP INC

(Incorporated in Canada)

(Corporation number: 002277095)

("Volaris")

INCREASE OF CASH CONSIDERATION IN RELATION TO THE VOLARIS OFFER AND DISTRIBUTION OF SUPPLEMENTARY INFORMATION

1. INTRODUCTION

- 1.1. Shareholders of Adapt IT ("**Adapt IT Shareholders**") are referred to the:
 - 1.1.1. joint firm intention announcement published on SENS on 7 April 2021 ("**Firm Intention Announcement**") in terms of which Adapt IT Shareholders were advised that Adapt IT and Volaris had entered into a firm intention offer letter agreement on 6 April 2021 ("**FIO Agreement**") pursuant to which *inter alia* Volaris had delivered notice to Adapt IT of its firm intention to make an offer to acquire control of Adapt IT through the acquisition of up to 100% of the issued ordinary shares (excluding treasury shares) of Adapt IT ("**Adapt IT Shares**") from holders of Adapt IT Shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act, No. 71 of 2008 ("**Companies Act**") ("**Scheme**") or, if the Scheme is not proposed or fails, a general standby offer by Volaris to Adapt IT Shareholders, as contemplated in section 117(1)(c)(v) of the Companies Act ("**Standby Offer**"), for a cash consideration of R6.50 per Adapt IT Share ("**Cash Consideration**");
 - 1.1.2. joint circular dated 1 June 2021 ("**Joint Circular**") detailing the terms of the Scheme and the Standby Offer and incorporating a notice convening a general meeting of Adapt IT Shareholders at 12:00 on Wednesday, 30 June 2021 ("**General Meeting**"), to consider and, if deemed fit, to pass, with or without modification, the resolutions *inter alia* necessary to implement the Scheme, including a special resolution to approve the Scheme as contemplated in section 115(2)(a) of the Companies Act ("**Scheme Resolution**"); and
 - 1.1.3. announcement regarding the distribution of the Joint Circular and notice of General Meeting published on SENS on 1 June 2021.
- 1.2. Capitalised terms used in this announcement that are not otherwise defined, bear the meanings ascribed to them in the Joint Circular.

2. INCREASED CASH CONSIDERATION

- 2.1. Adapt IT and Volaris have entered into an addendum to the FIO Agreement ("**FIO Agreement Addendum**") in terms of which Volaris agreed to increase the Cash Consideration.
- 2.2. Accordingly, Adapt IT Shareholders are advised that Volaris hereby increases the Cash Consideration payable to Adapt IT Shareholders in terms of the Scheme or, if the Scheme fails, the Standby Offer to R7.00 per Adapt IT Share ("**Increased Cash Consideration**").
- 2.3. The Increased Cash Consideration represents:
 - 2.3.1. a premium of 69.1% to the 30-day volume weighted average traded price of Adapt IT Shares on the JSE of R4.14, as at 26 January 2021, being the last trading date prior to the date on which the general offer by Huge Group Limited to Adapt IT Shareholders was announced on SENS; and
 - 2.3.2. a premium of 68.3% to the closing price of Adapt IT Shares on the JSE of R4.16, as at 1 April 2021, being the last trading day prior to the signature date of the FIO Agreement.

- 2.4. All references to the Scheme Consideration and the Standby Offer Consideration in the Joint Circular should therefore be construed as references to the Increased Cash Consideration of R7.00 per Adapt IT Share and an amendment to the Scheme Resolution will be noted by the chairperson at the General Meeting.

3. **INDEPENDENT EXPERT REPORT AND THE OPINION OF THE INDEPENDENT BOARD**

- 3.1. As required, the Independent Board has engaged the Independent Expert to provide an opinion on the Increased Cash Consideration, taking into account the fair value range of an Adapt IT Share which was determined in the Independent Expert's report included in the Circular to be between R7.00 and R9.09 per Adapt IT Share.
- 3.2. The Independent Expert has considered the Increased Cash Consideration and issued an updated opinion, dated 4 June 2021 ("**Updated Independent Expert Report**"), confirming that, in its opinion, the Scheme, Standby Offer and the Increased Cash Consideration are fair and reasonable to Adapt IT Shareholders. The Updated Independent Expert Report is annexed to this announcement.
- 3.3. Having regard to the Updated Independent Expert Report, with which the Independent Board agrees, the Independent Board is of the opinion that the Scheme, Standby Offer and the Increased Cash Consideration are fair and reasonable to Adapt IT Shareholders.
- 3.4. The Volaris Offer therefore presents an opportunity for Adapt IT Shareholders to realise their investment for a fair and reasonable cash price of R7.00, and should be considered by Adapt IT Shareholders who wish to realise their investment for cash.
- 3.5. Accordingly, Adapt IT Shareholders who wish to realise their investment for a cash price of R7.00:
 - 3.5.1. should make the Exit Election and vote in favour of the Scheme; or
 - 3.5.2. in the event that the Scheme fails, should accept the Standby Offer.
- 3.6. Adapt IT Shareholders who do not wish to realise their investment for a cash price of R7.00 should make the Continuation Election and, in the event that the Scheme fails, should not accept the Standby Offer.
- 3.7. Adapt IT Shareholders have also been informed of an increase in the Huge Offer consideration from 0.9 Huge shares per Adapt IT Share to 1.37 Huge shares per Adapt IT Share ("**Increased Huge Offer Consideration**"). The Independent Board is publishing a separate announcement in respect of the Increased Huge Offer Consideration in which the Independent Board confirms its opinion that the Increased Huge Offer Consideration is also fair and reasonable to Adapt IT Shareholders because it is within the fair value range of an Adapt IT Share, and Adapt IT Shareholders are referred to that separate announcement for further details.

4. **DELISTING RESOLUTIONS**

As a result of the increase in the Scheme Consideration and the Standby Offer Consideration, the Independent Expert and the Independent Board have determined that the Scheme Consideration and the Standby Offer Consideration are now fair and reasonable, as contemplated in paragraph 3 above, and therefore that the Scheme and the Standby Offer have Become Fair (as contemplated in the Joint Circular). Accordingly, the Scheme Delisting Resolution and the Standby Offer Delisting Resolution will be proposed to Adapt IT Shareholders at the General Meeting.

5. **CASH CONFIRMATION**

In compliance with Regulations 111(4) and 111(5) of the Companies Regulations, Volaris has provided the Takeover Panel with a cash confirmation which confirms that, in aggregate, Volaris has sufficient cash resources in terms of Regulation 111 to satisfy the maximum cash consideration as increased by the FIO Agreement Addendum.

6. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

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

7. VOLARIS BOARD RESPONSIBILITY STATEMENT

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to those documents referred to in paragraph 27 of the Joint Circular, the Updated Independent Expert Report and the FIO Agreement Addendum, or copies thereof, will be made available for inspection by the Adapt IT Shareholders during normal business hours from the date of this announcement up until the earlier of the date on which the Scheme is implemented or, if the Scheme fails, the Standby Offer Closing Date at the following locations:

- 8.1. the registered office of Adapt IT, 152 14th Road, Midrand, 1682;
- 8.2. the offices of Adapt IT's Sponsor, Merchantec Capital, 13th Floor, Illovo Point, 68 Melville Road, Illovo, Sandton, 2196; and
- 8.3. the offices of Volaris' transaction advisor, PSG Capital Proprietary Limited:
 - 8.3.1. 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, 7600; and
 - 8.3.2. 2nd Floor, Building 3, 11 Alice Lane, Sandhurst, Sandton, 2196.

9. DISTRIBUTION OF SUPPLEMENTARY INFORMATION

- 9.1. This announcement, together with the Updated Independent Expert Report annexed hereto constitutes the "Supplementary Information" as described in paragraph 1.8 of the Joint Circular. Accordingly, the Supplementary Information will be distributed to Adapt IT Shareholders (that were recorded as such on the securities' register of Adapt IT as at Friday, 21 May 2021) on Monday, 7 June 2021.
- 9.2. The Supplementary Information is also available on the Company's website at: <https://www.adaptit.com/hubfs/investor/Supplementary%20Information%20June%202021.pdf>

Johannesburg
4 June 2021

Financial Advisor to Adapt IT



Legal Advisor to Adapt IT



Sponsor to Adapt IT



Transaction Advisor to Volaris



Legal Advisor to Volaris



Independent Expert to Adapt IT



ANNEXURE – UPDATED INDEPENDENT EXPERT REPORT

The Independent Board
Adapt IT Holdings Ltd
152 14th Road
Midrand
Gauteng
1687

Dear Sirs and Mesdames

4 June 2021

UPDATED INDEPENDENT EXPERT OPINION TO ADAPT IT HOLDINGS LTD (“Adapt IT” or the “Company”) REGARDING A REVISED OFFER BY VOLARIS GROUP INC (“Volaris” or the “Offeror”) TO ACQUIRE UP TO 100% OF THE ORDINARY SHARES (EXCLUDING TREASURY SHARES) OF ADAPT IT (“Adapt IT Shares”)

Introduction

Adapt IT Shareholders are referred to the joint announcement published by Adapt IT and Volaris on the Stock Exchange News Service (“**SENS**”) of the JSE Limited (“**JSE**”) on Wednesday, 7 April 2021, in which Adapt IT announced that the Company had received notice from Volaris of its firm intention to make an offer (the “**Volaris Offer**”) (the “**Firm Intention Announcement**”) to acquire control of the Company through the acquisition of up to 100% of Adapt IT Shares from the holders of the Adapt IT Shares (“**Adapt IT Shareholders**”) as contemplated in Chapter 5 of the Companies Act, No. 71 of 2008, as amended (the “**Companies Act**”) and Chapter 5 of the Companies Regulations, 2011 (the “**Companies Regulations**”).

The Volaris Offer will be implemented by way of a scheme of arrangement in terms of section 114 of the Companies Act (the “**Volaris Scheme**”) or a standby offer, should the Volaris Scheme not be proposed or fails (the “**Standby Offer**”).

The Volaris Offer was made at a cash consideration of R6.50 per Adapt IT Share (the “**Scheme and Standby Offer Consideration**”).

Adapt IT and Volaris issued a joint circular dated Tuesday, 1 June 2021 (the “**Circular**”), wherein they provided Adapt IT Shareholders with both the recommendation of the independent board of Adapt IT (the “**Independent Board**”) and an independent expert’s opinion in respect of the Volaris Scheme.

Subsequent to the distribution of the Circular by Adapt IT, Volaris and Adapt IT announced a revised offer (the “**Revised Volaris Offer**”) with a new Scheme and Standby Offer Consideration of R7.00 per Adapt IT Share (the “**Revised Scheme and Standby Offer Consideration**” or the “**Revised Consideration**”) on SENS on Friday, 4 June 2021 (the “**Revised Scheme Announcement Date**”) (the “**Revised Announcement**”). The Revised Volaris Offer will be implemented by way of a scheme of arrangement in terms of section 114 of the Companies Act (the “**Revised Volaris Scheme**”) or a general standby offer, should the Revised Volaris Scheme fail (the “**Revised Standby Offer**”).

Should the Revised Volaris Scheme be implemented, the following will occur:

- Subject to the approval of the JSE Limited (“**JSE**”), Adapt IT Shares may be delisted from the securities exchange operated by the JSE, if Adapt IT no longer meets the JSE Spread Requirements as defined in the Circular, and therefore no longer qualifies for listing or the Scheme Delisting Resolution (as defined in the Circular) is approved by Adapt IT Shareholders; and
- As detailed in the Circular, Adapt IT Shareholders will be entitled to sell all or part of their Adapt IT Shares (“**Exit Election**”) or retain all or part of their Adapt IT Shares (“**Continuation Election**”). In the absence of Adapt IT Shareholders making a valid election, they will be deemed to have made the Exit Election.

For the implementation of the Revised Volaris Scheme, unless the conditions have been waived by the Offeror *inter alia* Adapt IT Shareholders holding at least 50% plus one Adapt IT Shares (excluding treasury shares) must make the Exit Election (or are deemed to have made the Exit Election) and the executive directors of Adapt IT must make the Continuation Election in respect of at least 90% of the Adapt IT Shares they hold directly or indirectly.

Adapt IT Shareholders who do not provide valid acceptances of the Revised Standby Offer to sell any of their Adapt IT Shares in accordance with the terms of the Revised Standby Offer, will retain such shares in Adapt IT, which might no longer be listed on the JSE if (i) a Standby Offer Trigger Event (as defined in the Circular) occurs, and (ii) the Standby Offer Conditions (as defined in the Circular) are fulfilled or, where applicable, waived, and if the Standby Offer Delisting Resolution (as defined in the Circular) is passed by the requisite majority of Adapt IT Shareholders and Adapt IT has applied for the delisting and the JSE approves the delisting. The Scheme Delisting Resolution and the Standby Offer Delisting Resolution are collectively referred to as the “**Delisting**”.

For the implementation of the Revised Standby Offer, unless the conditions have been waived by the Offeror, *inter alia*, Adapt IT Shareholders holding at least 50% plus one Adapt IT Shares (excluding treasury shares) must accept the Revised Standby Offer and the executive directors of Adapt IT must not accept the Standby Offer in respect of at least 90% of the Adapt IT Shares they hold directly or indirectly.

In compliance with the JSE Listings Requirements (the “**Listings Requirements**”), the Delisting must be accompanied by an offer (that an independent expert has confirmed to be fair to shareholders) which is to be made to holders of all Adapt IT Shares.

The Revised Volaris Scheme and the Revised Standby Offer are affected transactions as defined in section 117, of the Companies Act and as such are regulated by the Companies Act and the Companies Regulations.

As at the date of this opinion, the share capital of the Company comprises the following:

- Authorised share capital of 300 000 000 no par value shares; and
- Issued share capital of 144 887 497 Adapt IT Shares.

7 625 658 ordinary shares of the Company are held as treasury shares.

The Company had no share options outstanding as at the date of this opinion.

The Revised Volaris Offer will directly or indirectly affect all Adapt IT Shareholders. More information on the material effects that the Revised Volaris Offer may have on the rights and interests of Adapt IT Shareholders are detailed in the Circular and the Revised Announcement.

Full details of the Revised Volaris Offer are contained in the Circular and the Revised Announcement, (which includes a copy of this letter). Other than the Revised Consideration, we understand that there are no further changes or amendments to the terms and conditions of, and rationale for, the Volaris Offer.

The material interests of the directors are set out in paragraph 13 of the Circular.

Scope

The Revised Volaris Scheme and the Revised Standby Offer are affected transactions as defined in section 117(1)(c)(iii) and 117(1)(c)(v), respectively of the Companies Act. In terms of section 114(2) of the Companies Act, as read with Regulations 90 and 110 of the Companies Regulations, the Independent Board is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act and Regulations 90 and 110 of the Companies Regulations (the “**Opinion**” or the “**Fair and Reasonable Opinion**”).

The Delisting is governed by paragraph 1.15 of the Listings Requirements.

Nodus Capital TS Proprietary Limited (“**Nodus**”) has been appointed by the Independent Board as the Independent Expert to advise on whether the terms and conditions of the Revised Volaris Offer are fair and reasonable to the Shareholders of Adapt IT.

Copies of Sections 115 and 164 of the Companies Act are included as Annexure 5 to the Circular.

Responsibility

Compliance with the Companies Act, the Companies Regulations and the Listings Requirements is the responsibility of the Independent Board. Our responsibility is to report on the terms and conditions of the Revised Volaris Offer in compliance with the related provisions of the Companies Act, the Companies Regulations and the Listings Requirements.

We confirm that our Fair and Reasonable Opinion has been provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Adapt IT Shareholders in relation to the Revised Volaris Offer. This opinion is prepared solely for the Independent Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

Definition of the terms “fair” and “reasonable”

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The Revised Volaris Offer may be said to be fair if the Revised Scheme and Standby Offer Consideration is greater than or equal to the value of one Adapt IT Share or unfair if the Revised Scheme and Standby Offer Consideration is less than the value of one Adapt IT Share. Furthermore, in terms of Regulation 110(8) of the Companies Regulations, an offer with a consideration per offeree regulated company security within the fair-value range is generally considered to be fair.

In terms of the Companies Regulations, a transaction will be considered reasonable if the offer consideration received by shareholders in terms of the corporate action is higher than the market price of the company’s securities at the time that the corporate action was announced, or at some other more appropriate identifiable time. In addition, other qualitative considerations may be taken into account when considering the reasonableness of the corporate action. Even though the consideration may differ from the market value of the assets being acquired, a transaction may still be reasonable after considering other significant qualitative factors.

Our approach in considering the Revised Volaris Offer

In considering the Revised Volaris Offer, we have independently calculated the fair value of one Adapt IT Share and compared our fair value of one Adapt IT Share to the Revised Scheme and Standby Offer Consideration.

Details and sources of information

The principal sources of information used in performing our work include:

- The Firm Intention Announcement;
- The Circular;
- The Independent Board’s recommendation iro the Volaris Offer, as detailed in the Circular;
- The draft Revised Announcement;
- The letter from Volaris confirming that it intends offering the Revised Consideration subject to this Opinion being issued;
- The Independent Board’s recommendation iro the Revised Volaris Offer, as detailed in the draft Revised Announcement;
- The terms and conditions of the Volaris Offer and its rationale, as set out in the Circular;
- The terms of the Revised Volaris Offer, as set out in the Revised Announcement;
- Representations and assumptions made available by, and discussions held with, the management of Adapt IT;
- Representations and assumptions made available by, and discussions held with, the Independent Board of Adapt IT and its advisors;
- Publicly available information relating to the industries in which Adapt IT operates;
- Publicly available information relating to Adapt IT that we deemed to be relevant, including company announcements, media articles, and analyst presentations, where applicable;
- Share price information of Adapt IT over the last 12 months to assess the relative liquidity and volatility of Adapt IT Shares;
- Published market data on Adapt IT;
- Various analyst reports and their respective views on the value of an Adapt IT Share (the “**Analyst Reports**”);
- Audited annual financial statements of Adapt IT for the 5 years ended 30 June 2020;
- Interim financial results of Adapt IT for the 6 months ended 31 December 2020;
- Interim financial results for Adapt IT for the 10 months ended 30 April 2021;
- Forecast financial information of Adapt IT for the years ending 30 June 2021 to 30 June 2025;
- Huge Group Limited’s (“**Huge Group**”) offer circular to Adapt IT Shareholders, dated 16 April 2021 (the “**Huge Circular**”);
- Adapt IT’s response circular in respect of the Huge Circular, dated 17 May 2021 (the “**Response Circular**”);

- Huge Group's announcement on SENS on Friday, 28 May 2021 (the "**Huge Group's Revised Announcement**"), wherein it increased the swap ratio for the Huge offer set out in the Huge Circular from 0.9 Huge Shares per Adapt IT Share to 1.37 Huge Shares per Adapt IT Share (the "**Huge Updated Offer**"); and
- The 30-day, 60-day and 90-day volume weighted average price (the "**VWAP**") of Adapt IT Shares as at date preceding the date of the Firm Intention Announcement and the Revised Announcement.

The information above was obtained from:

- Directors and management of Adapt IT; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Adapt IT.

Procedures performed

In arriving at our Opinion we have undertaken the following procedures in evaluating the fairness and reasonableness of the Revised Volaris Offer:

- Considered the rationale for the Revised Volaris Offer, as represented by the Independent Board, its advisors, Adapt IT management and disclosed in the Revised Announcement;
- Reviewed the terms and conditions of the Revised Volaris Offer;
- Reviewed the Circular;
- Reviewed the draft Revised Announcement;
- Considered the Revised Consideration;
- Supplemented our knowledge and understanding of Adapt IT as well as the industries in which it operates;
- Held discussions with management on the prospects of Adapt IT;
- Reviewed and analysed the historical financial information of Adapt IT;
- Assessed the Adapt IT forecasts, as prepared by management, and challenged certain assumptions;
- Considered the value of Adapt IT, taking cognisance of the market multiples of comparable companies and comparable/recent transactions, as applicable, and a discounted cash flow valuation performed on Adapt IT;
- Reviewed Adapt IT's historic traded share prices and trading volumes on the JSE to ascertain the relative trading activities, liquidity and volatility of the Adapt IT Shares;
- Reviewed certain publicly available information relating to Adapt IT and the industries in which it operates that we deemed to be relevant, including company announcements and media articles;
- Performed an analysis of other information considered pertinent to our valuation and Opinion;
- Considered the fact that ~47.7% of the Adapt IT Shareholders, who are eligible to vote on the Revised Volaris Offer, have provided irrevocable undertakings to vote in favour of the Revised Volaris Scheme;
- Reviewed the Huge Circular and the Response Circular;
- Reviewed the Huge Updated Offer and noted that Adapt IT is required to respond by Friday, 4 June 2021, and that it would update Adapt IT Shareholders accordingly;
- Reviewed the Analyst Reports; and
- Obtained from the management of Adapt IT a letter of representation in respect of amongst other things the information shared and/or statements made to us and upon which we have relied.

We have not interviewed any of the Adapt IT Shareholders to obtain their views on the Revised Volaris Offer.

Based on the results of the procedures mentioned above, we determined the fairness and reasonableness of the Revised Volaris Offer to Adapt IT Shareholders. We believe that the above considerations justify the opinion outlined below.

Limiting conditions

This Opinion of the Independent Expert is provided to the Independent Board in connection with and for the purpose of the Revised Volaris Offer. The Opinion of the Independent Expert does not purport to cater for each individual Adapt IT Shareholder's perspective, but rather that of the general body of Adapt IT Shareholders.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in deriving our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with Adapt IT management, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, *inter alia*, the annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

This Opinion of the Independent Expert is provided in terms of the Companies Act, the Companies Regulations and the Listings Requirements. It does not constitute a recommendation to any Adapt IT Shareholder as to how to vote at any shareholders' meeting relating to the Revised Volaris Offer or on any matter relating to it. Therefore, it should not be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion of the Independent Expert is used or relied upon for anything other than its intended purpose. Should an individual Adapt IT Shareholder have any doubts as to what action to take, such shareholder should consult an independent advisor.

Budgets/projections/forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Accordingly, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

We express no opinion as to how closely actual results will correspond to those projected/forecast by the management of Adapt IT. We have compared the projected/forecast financial information to past trends as well as discussed the assumptions inherent therein with management.

Our Opinion is based on the current economic, regulatory, and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments. We have assumed that all conditions precedent in the transaction agreements, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained. Our Opinion does not include an evaluation of the commercial rationale of the Revised Volaris Offer.

The valuation of companies and businesses is not a precise science and conclusions arrived at, will, in many cases, be subjective and dependent on the exercise of individual judgement.

Valuation

Nodus performed an independent valuation of Adapt IT to determine whether the Revised Scheme and Standby Offer Consideration represents fair value to the Adapt IT Shareholders.

For our valuation of Adapt IT, we utilised both an income approach (discounted cash flow) valuation methodology and a market approach valuation methodology (based on financial data for comparable publicly traded companies, the "**Comparable Companies**").

We elaborate below in more detail on the Comparable Companies, but emphasise, to readers of this Opinion, that it is a complex issue to convey, *inter alia*, all the intricacies, analysis, workings, considerations and professional judgement, which is considered and applied to eventually decide on the Comparable Companies. In the assessment of our valuation of Adapt IT, we used various methodologies including comparable trading companies' analysis. Whilst there is no individual direct comparable company to Adapt IT in the South African or global listed environment, we considered various companies that are involved in the provision of specialised software services as well as an overlap of operating geographies with Adapt IT (with South African being the geography where Adapt IT derives most of its earnings). For this analysis we used the below comparable peer set and applied various techniques, including the use of relevant premia and discounts, to derive comparable set data. These adjustments account for differences relating to, *inter alia*, size, country risks, geographic and product diversification, historic and projected growth. The determination of appropriate premia or discounts to be applied is necessarily subjective. We also consider normalisation adjustments. Comparable Companies are also considered on a historical, last twelve months and/or forward basis (subject to coverage and availability of forecast information for the comparable companies) and certain companies may be discarded due to lack of information and/or unrealistic outcomes as a result of the analysis performed. As a result, the trading multiples that we obtained are on an adjusted basis and are not necessarily the same as those derived from raw peer set data. The following companies, amongst others, were considered the most appropriate for the Comparable Companies analysis:

- Alviva Holdings Ltd
- Bytes Technology Group PLC

- Cartrack Holdings Ltd
- Constellation Software Inc
- Datatec Ltd
- EOH Holdings Ltd
- MIX Telematics Ltd
- Oracle Corp
- Readytech Holdings Ltd
- SAP SE (“SAP”)
- SilverSunTechnologies Inc
- Tribal Group PLC

The valuation was performed taking cognisance of risk and other market and industry factors affecting Adapt IT. Additionally, sensitivity analyses were performed considering key assumptions. Prevailing market and industry conditions were also considered in assessing the risk profile of Adapt IT.

Key internal value drivers included the discount rate, revenue growth and operating margins.

Key external value drivers including gross domestic product growth rates, interest rates, headline inflation rates, and prevailing market and industry conditions in respect of the industry in which Adapt IT operates were also considered in assessing the forecast cash flows and risk profile of Adapt IT.

Growth is predominantly driven by a combination of Adapt IT’s existing client base (66% of its revenue is annuity based) and new customers and/or revenue streams. The long-term inflation rate utilised in the income approach valuation approximated 4.5%. A change of 0.5% in the discount rate would result in a ~6% change in the value attributable to Adapt IT.

Assumptions

Our Opinion is based on the following key assumptions:

- Any agreements that will or have been entered into in terms of the Revised Volaris Offer will be legally enforceable;
- The Revised Volaris Offer will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Adapt IT;
- Reliance can be placed on the financial information of Adapt IT;
- For the purposes of this Opinion of the Independent Expert, we assumed Adapt IT’s existing businesses to be ongoing under current business plans and management;
- Current economic, regulatory and market conditions will not change materially;
- Adapt IT is not involved in any material legal proceedings other than those conducted in the ordinary course of business and/or as disclosed in the Circular;
- Adapt IT is, at the date of this Opinion of the Independent Expert, not engaged in any discussions relating to any acquisitions or transactions that will have a significant impact on the value of Adapt IT (other than the Huge Updated Offer, as referred to in the Huge Group’s Revised Announcement);
- Adapt IT has no material outstanding disputes with the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of Adapt IT;
- Global financial markets are still currently facing some uncertainty as a result of the ongoing COVID-19 pandemic, with its continued impact remaining uncertain at this stage. We have assumed economic, regulatory and market conditions remain stable over the forecast period after factoring in the impact of COVID-19, as far as practically possible. There is, however, uncertainty, which could persist for some time, as to the full impact of COVID-19 on Adapt IT and, as a result, our work may not have identified or reliably quantified the impact of all such uncertainties; and
- Representations made by the Independent Board, Adapt IT management and their advisors during the course of forming this Opinion of the Independent Expert.

Appropriateness and reasonableness of underlying information and assumptions

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our Opinion by:

- Placing reliance on audit reports in the financial statements of Adapt IT;
- Conducting analytical reviews on the historical financial results and the forecast financial information, such as key ratio and trend analyses, where applicable; and
- Determining the extent to which representations from Adapt IT management were confirmed by documentary and audited financial evidence, as well as our understanding of Adapt IT and the economic environment in which it operates.

Valuation results

In undertaking the valuation exercise of Adapt IT above, we determined a valuation range of the Adapt IT Shares of R7.00 to R9.09 per share, with a likely value of R8.05.

The Revised Scheme and Standby Offer Consideration falls within our calculated valuation range of Adapt IT Shares, albeit below the likely value.

The valuation above is provided solely in respect of this Fair and Reasonable Opinion and should not be used for any other purposes.

Qualitative considerations

In arriving at our Opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Revised Volaris Offer:

- The rationale for the Revised Volaris Offer, as set out in the Circular and Revised Announcement;
- The opinion of the Independent Board, as set out in the Revised Announcement;
- The trading liquidity of the Adapt IT Shares;
- The historic trading price of the Adapt IT Shares;
 - In evaluating the reasonableness of the Revised Volaris Offer to arrive at our Opinion, we have considered that the Revised Scheme Consideration is at a premium to the traded price of the Adapt IT Shares as well as the 30-, 60-, and 90-day VWAP immediately prior to the Firm Intention Announcement;
- The Revised Scheme Consideration is below the 52 week high share price prior to 27 May 2021;
- The Revised Volaris Offer is below the implied value of the Huge Updated Offer made by the Huge Group, as detailed in the Huge Group's Revised Announcement;
- Adapt IT Shareholders selecting the Exit Election are given the opportunity to exit a small market capitalisation at a significant premium for cash;
- Adapt IT Shareholders selecting the Continuation Election are given the opportunity to maintain exposure to Adapt IT, albeit potentially in an unlisted entity;
- Adapt IT Shareholders selecting the Continuation Election may be invested in an unlisted entity which brings an element of uncertainty in regard to future liquidity;
- If none of the offers to Adapt IT Shareholders are implemented, the Adapt IT share price may retract back to levels prior to any of the offers and it may take time for the Adapt IT share price to reach such levels again, considering the small market capitalisation of Adapt IT;
- The Huge Updated Offer is based on a value of R9.09 per Adapt IT Share;
- Adapt IT management is supportive of the Volaris Offer;
- Adapt IT Shareholders, collectively holding ~47.7% of the Adapt IT Shares, have furnished irrevocable undertakings supporting the Revised Volaris Scheme; and
- The Adapt IT Share price has increased significantly since the announcement of the Huge Offer and Volaris Offer and has, for a period, traded above the value of both the Volaris Offer and the Revised Volaris Offer, reaching an intraday high of R7.08 on 7 May 2021, as depicted in the graph which can be viewed at:

<https://www.adaptit.com/hubfs/investor/Supplementary%20Information%20June%202021.pdf>

Opinion

Nodus has considered the terms and conditions of the Revised Volaris Offer and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Revised Volaris Offer based on quantitative considerations, are fair to the Adapt IT Shareholders.

Nodus has considered the terms and conditions of the Delisting and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Delisting based on quantitative considerations, are fair to the Adapt IT Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Revised Volaris Offer are reasonable from the perspective of the Adapt IT Shareholders.

Our Opinion is necessarily based upon the information available to us up to 3 June 2021, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

Independence, competence and fees

We confirm that we have no direct or indirect interest in Adapt IT nor do we have any relationship with Adapt IT or any person related to Adapt IT such as would lead a reasonable and informed third party to conclude that our integrity, impartiality or objectivity has been compromised by such relationship. We also confirm that we have the necessary competence and experience to provide the Independent Expert Report.

Furthermore, we confirm that our professional fee of R321 000 (excluding VAT) is not contingent upon the success of the Revised Volaris Offer.

Consent

We consent to the inclusion of this letter and the reference to our Opinion in the announcement to be issued to the Shareholders of Adapt IT in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Johan le Roux CA(SA)

Director: Nodus Capital TS (Proprietary) Limited

Building 2
Commerce Square Office Park
39 Rivonia Road
Sandhurst
2196