

FREQUENTLY ASKED QUESTIONS REGARDING THE
OFFER BY VOLARIS GROUP INC. (FAQ)*

JUNE 2021



1. General

- Adapt IT has received a number of queries from Shareholders in Adapt IT (“**Shareholders**”) regarding the offer by Volaris Group Inc. (“**Volaris**”). Answers to the questions most often received by Adapt IT are set out below and are subject to the disclaimer in paragraph 19.
- Shareholders are encouraged to read the entirety of the circular issued by Adapt IT and Volaris available at the following web address (“**Combined Circular**”):
<https://f.hubspotusercontent40.net/hubfs/1848095/investor/Combined%20Circular%201%20June%202021.pdf>
- Should you be in any doubt as to what action to take, please contact your Broker, CSDP, banker, accountant, attorney or other professional advisor immediately.
- If there is any conflict between these FAQs and answers and the Combined Circular, the Combined Circular will prevail.

2. What is being proposed?

- Volaris has made an offer to acquire control of Adapt IT through the acquisition of up to 100% of the issued shares of Adapt IT by way of a Scheme of Arrangement in terms of the Companies Act (“**Scheme**”). The Scheme provides Shareholders an opportunity to dispose of all, or some, of their shares to Volaris for R7.00 per share.
- The Scheme will fail if the special resolution relating to the Scheme is not approved by at least 75% of Shareholders who vote thereon or if any other condition to the Scheme (“**Scheme Condition**”) is not fulfilled or waived within the time period stipulated for its fulfilment.
- If the Scheme fails, Volaris will automatically make a General Offer to Shareholders (“**Standby Offer**”), also at a price of R7.00 per share.

3. What is a scheme of arrangement (in the context of the Volaris Offer)?

- A Scheme of arrangement is a statutory procedure (recognized in many countries across the world) whereby a company makes an arrangement with regards to its share capital and/or securities with its Shareholders. In South Africa, Schemes of arrangement are undertaken in terms of sections 114 and 115 of the Companies Act and, in order to be approved, require the support of at least 75% of the votes exercised on the resolution to approve the Scheme at a general meeting of the company (“**General Meeting**”).
- In relation to the Volaris Offer, the Scheme is proposed between Adapt IT and its Shareholders and will, if implemented, result in Volaris acquiring up to all the shares of Adapt IT (other than the shares held by Adapt IT’s subsidiaries, and those shares for which a Continuation Election is validly made).
- Shareholders will be afforded an election to sell all or part of their Adapt IT shares to Volaris (“**Exit Election**”) or to retain all or part of their shares (“**Continuation Election**”) if the Scheme is successful.

- If you elect the Continuation Election and if Adapt IT is delisted (which is possible if the JSE Spread Requirements will no longer be met following the implementation of the Scheme or if the delisting resolution is passed and the Scheme or Standby Offer is implemented), you will hold shares in an unlisted company.
- The resolution to be voted on in order to approve the Scheme is contained in the combined circular to Shareholders issued on 1 June 2021 and available on Adapt IT's website at <https://f.hubspotusercontent40.net/hubfs/1848095/investor/Combined%20Circular%201%20June%202021.pdf>.

4. What is the Standby Offer?

- As noted above, the Standby Offer will only be made if the Scheme fails. Volaris and Adapt IT shall announce through SENS and the printed media, as required, that the Standby Offer has become effective, if applicable.
- The Standby Offer will afford Shareholders an opportunity to dispose of all, or some of their shares to Volaris for R7.00 per share.
- Unlike the Scheme, only Shareholders who accept the Standby Offer will sell their shares to Volaris. The Standby Offer will also not need to be approved by a resolution of the Shareholders.
- Those Shareholders who do not accept the Standby Offer will remain Shareholders in Adapt IT unless Volaris is entitled to (and does) exercise rights under section 124 of the Companies Act. In terms of section 124, if the holders of 90% or more of the shares (other than shares held by Adapt IT's subsidiaries) have accepted the Standby Offer, Volaris can require the remaining Shareholders to accept the Standby Offer.
- The Standby Offer is subject to a number of conditions, including but not limited to the condition that the Standby Offer must be accepted in respect of more than 50% of the shares in issue (excluding the shares held by the subsidiaries of Adapt IT).
- Refer to Annexure 1 for a flowchart explaining the Volaris Offer.

5. When is the General Meeting?

- The General Meeting of Shareholders is scheduled to be held at 12:00 on 30 June 2021. The meeting has been convened to consider and, if deemed fit by Shareholders, approve the resolutions to effect the Scheme and delisting of Adapt IT. The meeting will take place entirely by electronic communication.
- Shareholders may participate in the General Meeting using the online platform <https://web.lumiagm.com/>.

6. What actions are required by Shareholders? How do Shareholders make the election to remain invested in Adapt IT or to sell their shares?

- Shareholders are urged to read the entire Combined Circular and, in particular pages 7 – 13 of the Combined Circular regarding details of actions required in relation to the Scheme and Standby Offer.

7. What is the default position for Shareholders in respect of the Scheme if they do not make an election?

- If the Scheme is approved, any shares for which a valid Continuation Election has not been made by the cut off time for such election (expected to be 12:00 on 3 December 2021) will be deemed to have been sold to Volaris.

8. What are the tax consequences of the Exit Election and Continuation Election?

- The tax position of each Shareholder under the transaction is dependent on such Shareholder's individual circumstances. Shareholders are advised to consult their professional advisors about their personal tax positions regarding the Scheme and Standby Offer.

9. What are Shareholders voting on?

- The notice of General Meeting, including the resolutions to be voted on by Shareholders are set out from page 85 of the Combined Circular. A summary of the resolutions proposed are as follows:

	RESOLUTION	EFFECT/RATIONALE
i	Special Resolution Number 1: Approval of the Scheme	Approves the Scheme
ii	Special Resolution Number 2: Revocation of Special Resolution Number 1	In the event the Scheme fails as a result of any condition to the Scheme not being fulfilled or waived, the resolution approving the Scheme will be revoked and any rights or obligations arising from the Scheme will terminate
iii	Special Resolution Number 3: Approval for the payment of fees to the members of the Independent Board	The members of the Independent Board have, in relation to the offers received from Huge Group and Volaris, undertaken duties and tasks beyond the scope of their normal duties as directors. It is proposed that each member of the Independent Board be paid a once-off fee for services rendered in relation to the Huge Group Offer and the Volaris Offer

**Terms not defined herein bear the meaning assigned to them in the Combined Circular.*

iv	Ordinary Resolution Number 1: Delisting of Adapt IT shares from the JSE following implementation of the Scheme	In the event that the Scheme is implemented, and Adapt IT still meets the JSE Spread Requirements, Adapt IT will be authorised to apply to the JSE for the delisting of the Adapt IT shares
v	Ordinary Resolution Number 2: Delisting of Adapt IT shares from the JSE following implementation of the Standby Offer	In the event that the Standby Offer is implemented, Adapt IT will be authorised to apply to the JSE for the delisting of Adapt IT
vi	Ordinary Resolution Number 3: Implementation	The passing of this resolution will empower each director and the company secretary of Adapt IT to do all such things as are necessary to give effect to the ordinary and special resolutions passed at the General Meeting

10. If the Scheme is successful, will Shareholders become Shareholders in Volaris?

- No. The Volaris Offer is a Cash Offer. Shareholders who sell (or are deemed to sell) their shares to Volaris will receive R7.00 per share sold.
- If the Scheme is successful and you do not make the Continuation Election in relation to all of your shares, you will be deemed to have sold the shares for which you have not made a Continuation Election to Volaris and will be paid cash for each such share.
- If the Scheme is successful and you make a valid Continuation Election, you will remain as a Shareholder, alongside Volaris as the controlling/majority Shareholder. Assuming the delisting resolution is passed or Adapt IT no longer meets the JSE Spread Requirements, Adapt IT will operate as an unlisted company and your shares will no longer be listed on the JSE or any other exchange.

11. If the Scheme is successful, how and when do Shareholders decide whether to sell or retain their shares in Adapt IT?

- If the Scheme is successful, Shareholders will thereafter be allowed to exercise an election to retain their shares (referred to as the Continuation Election) or to dispose of their shares to Volaris (referred to as the Exit Election). Shareholders who do not validly make the Continuation Election will be deemed to have chosen to dispose of their shares to Volaris.
- The last day and time for elections to be made by Shareholders is expected to be 12:00 on 3 December 2021 ("**Cut-off Time**"). Any changes to this date will be communicated to Shareholders on SENS.
- An election can be made in relation to all or some of the shares held by a Shareholder.
- The manner in which an election must be made is as follows:
 - o Certificated Shareholders who wish to make the Continuation Election must complete the Form of Election (blue) attached to the Combined Circular in accordance with its instructions and return it together with their relevant Documents of Title (if applicable) to the Transfer Secretaries at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (P.O. Box 61763, Marshalltown, 2107) to be received by the Transfer Secretaries by no later than the Cut-off Time.

- o Dematerialised Shareholders who wish to make the Continuation Election must provide their elections to their CSDPs or Brokers in the manner and by the cut-off time stipulated by their Custody Agreements. Please contact your CSDP or Broker if they have not yet contacted you to ascertain your voting instructions and election in relation to the Scheme.

12. What happens if the Scheme fails, will Shareholders keep their shares?

- The Scheme will fail if it is not approved at the General Meeting or, even if it is approved, if any other condition to which the Scheme is subject is not fulfilled or waived.
- If the Scheme fails, the Standby Offer will automatically be proposed. Please see Question 4 regarding implications of the Standby Offer.

13. What are the conditions to the transaction?

- The conditions to the Scheme are listed from page 32 of the Combined Circular and the conditions to the Standby Offer are listed from page 48 of the Combined Circular.

14. When is the transaction expected to close? When will Shareholders be settled if they make the Exit Election?

- The Scheme, if approved, will be completed once all conditions have been fulfilled. The date by which all conditions must be fulfilled or waived is 28 February 2022, however this date may be extended by Volaris subject to obtaining such regulatory approval required for the extension.
- Once all conditions to the Scheme have been fulfilled or waived, the settlement of Shareholders is expected to take place approximately 3 weeks thereafter.
- The important dates and times regarding the Scheme are set out on page 14 – 16 of the Combined Circular.
- Any changes to the timelines contained in the Combined Circular will be announced by Adapt IT on SENS and in the press.
- Should the Scheme not be approved or should it fail, all dates and times pertinent to the Standby Offer will be published on SENS and in the press.

15. What are the rights of Shareholders who make the Continuation Election and then hold shares in an unlisted Adapt IT?

Volaris has advised in the Combined Circular as follows -

- Should the Scheme or Standby Offer be implemented, Adapt IT will continue its business as a subsidiary of Volaris.
- The nature of Adapt IT's business will not change significantly pursuant to the transaction.
- The composition of the company's board of directors will be considered in the light of the governance requirements for an unlisted company in accordance with the Companies Act.
- Following the delisting, Adapt IT will continue to report to Shareholders on a semi-annual basis.
- The new Adapt IT board will also consider the payment of dividends to Shareholders on an annual basis in its discretion, subject to the cash flow requirements of the business.
- Adapt IT may require capital injections for expansion and/or working capital purposes, and if required, such capital injections may be requested from all Shareholders on a pro rata basis, depending on the circumstances of the capital injection.
- Payment of dividends will be dependent on, inter alia, the operational, expansion or acquisition requirements of Adapt IT.
- An exit mechanism may be agreed with Volaris (in its discretion) and, if so agreed, it will be based on a five year holding period and likely be determined based on market conditions and growth prospects of Adapt IT at the time.
- Volaris intends for Adapt IT and its main operating subsidiary to maintain their current B-BBEE rating and therefore the dilutive impact of any B-BBEE transaction required post the implementation of the Volaris Offer will be shared equally by all remaining Shareholders.

16. Can I still buy and sell shares in Adapt IT?

Yes, for now Shareholders can still trade their shares but please note that:

- The last date to trade in order to be entitled to attend and vote at the General meeting was Tuesday, 22 June 2021;
- If the Scheme is approved and becomes unconditional, the last day to trade in Adapt IT shares in order to participate in the Scheme, will be the close of trade 3 Business Days prior to the Scheme Consideration Record Date, which is expected to be at 17:00 on Tuesday, 30 November 2021 (or such other date as may be announced on SENS);
- If the Standby Offer is made and becomes unconditional, the last day to trade Adapt IT shares in order to be registered in the Register on the Standby Offer Closing Date, which date will be 3 Business Days prior to the Standby Offer Closing Date; and
- An acceptance of the Standby Offer, if it is made, will be irrevocable.

17. The offer by Huge Group Limited (“Huge Group”)

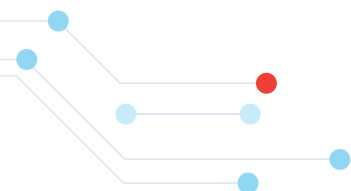
- Shareholders have also received an alternative offer, from Huge Group. The circulars relating to the offer by Huge Group are available at the following links:

- Huge Group Circular to Shareholders:

<https://hugegroup.com/wp-content/uploads/2021/04/2021-04-16-HGRO-Offeror-Circular-to-Adapt-IT-Shareholders.pdf>.

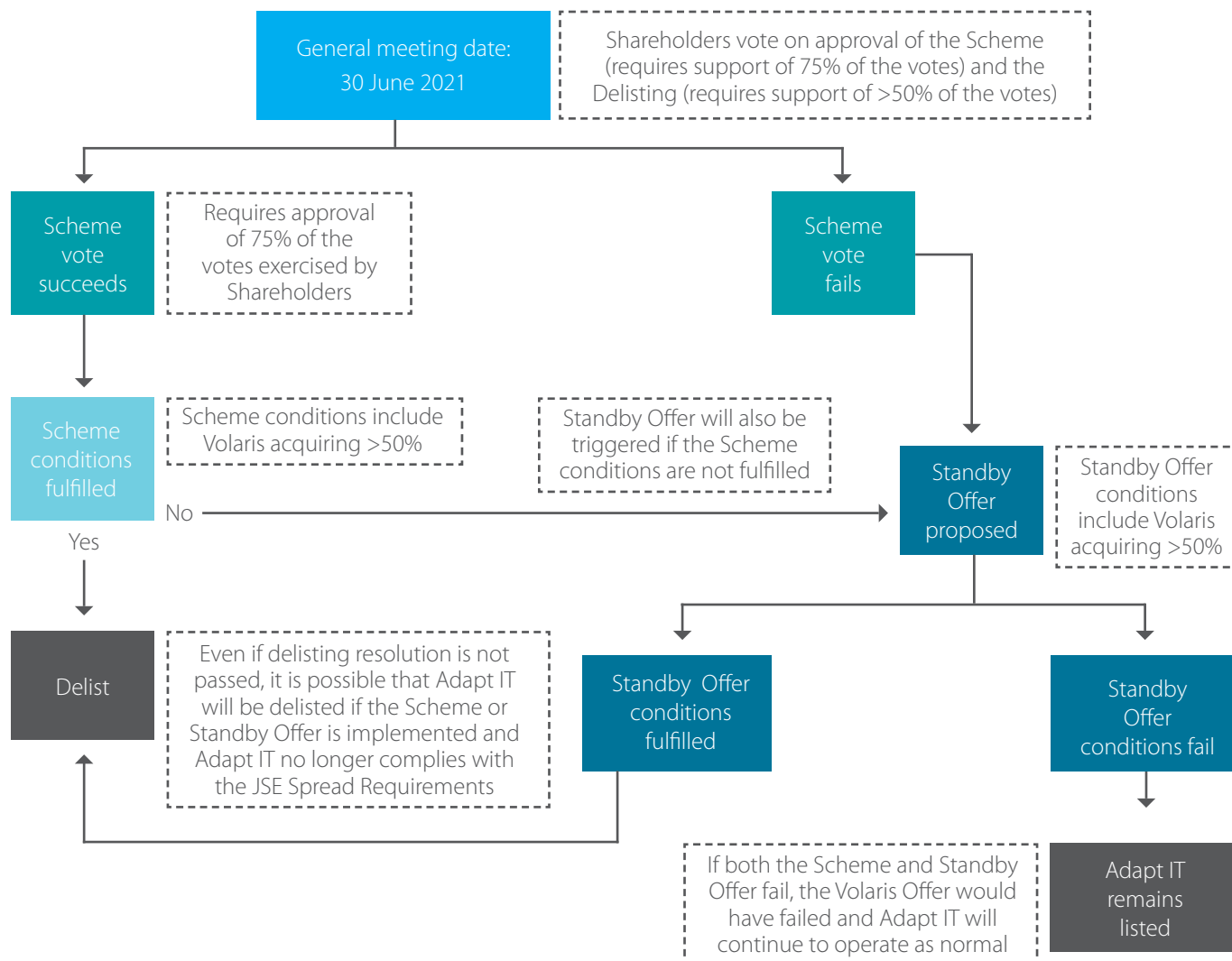
- Adapt IT response circular in respect of the Huge Group Offer:

<https://f.hubspotusercontent40.net/hubfs/1848095/investor/Adapt%20IT%20Response%20Circular%2017%20May%202021%20-%20Huge.pdf>.



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18. Annexure 1: Volaris Offer Flowchart



19. Disclaimer

Adapt IT appreciates the need for transparency and accountability and wishes to use this document to provide general information about matters relating to Adapt IT. The information contained in this document does not constitute investment or other professional or financial product advice. Please do not use this information as the basis for making an investment or disinvestment decision. Please consult your Broker, CSDP, banker, accountant, attorney or other professional advisor before making such an investment decision or taking (or failing to take) any action as a result of the information contained herein.

Adapt IT has prepared this document based on information contained in the Combined Circular. As noted in paragraph 1, if there is any conflict between the information contained in this document and the Combined Circular, the Combined Circular will prevail. Adapt IT encourages you to read the Combined Circular in its entirety.