

TO THE SHAREHOLDERS  
OF  
AVIA SOLUTIONS GROUP PLC

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REPORT OF THE BOARD OF DIRECTORS  
OF  
AVIA SOLUTIONS GROUP PLC

DATED 9 September 2021

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**AVIA SOLUTIONS GROUP PLC**  
(the “Company”)

The present document (the “**Board Report**”) is drawn up by the board of directors of the Company (the “**Board**”) with the purpose of setting out to the shareholders of the Company their reasoning for the proposed disapplication of the shareholders’ pre-emption rights in accordance with the articles of association of the Company, sections 59A and 60B of the Cyprus Companies Law, Cap. 133 (the “**Law**”).

**Background and Legal Considerations**

1. The Company is currently preparing to enter into a subscription agreement with Certares Compass LLC, a company incorporated in the Cayman Islands and whose registered office is at 69 Dr Roy’s Drive, P.O. Box 2510, Grand Cayman, KY1-1104, Cayman Islands (the “**Subscriber**”) pursuant to which the Company will issue and allot 19,444,444 (nineteen million four hundred forty four thousand four hundred forty four) convertible preferred shares of nominal value of €0.29 (twenty nine cents) each in the capital of the Company (to be created as a new class of shares) (the “**Convertible Preferred Shares**”) to the Subscriber or its nominee(s)/custodian for a total subscription price of €300,000,000 (the “**Subscription**”).
2. The shareholders of the Company enjoy pre-emption rights with respect to new issuances of the Convertible Preferred Shares pursuant to the Subscription in accordance with regulations 9-13 of the Company’s articles of association to be adopted by the General Meeting (the “**Articles**”) and regulation 9 of the Company’s current articles of association. In accordance with section 60B of the Law, “*On the increase of the share capital of a public company by considerations in cash, the shares must be offered on a pre-emptive basis to shareholders in proportion to the percentage of the capital represented by their shares*”. However there is a proviso in section 60B(5) of the Law allowing these rights to be restricted or excluded by way of a resolution of the General Meeting. The Board has an obligation to present to the General Meeting a written report which shall state the reasons for restriction or exclusion of the right of pre-emption and shall justify the proposed issue price.

**The Board’s recommendations**

3. Having carefully considered the matter in detail, the Board recommends that the pre-emption rights of shareholders be dis-applied (the “**Disapplication**”) as follows:
  - (a) The Disapplication shall relate to the following shares (the “**Subscription Shares**”):

19,444,444 (nineteen million four hundred forty four thousand four hundred forty four) Convertible Preferred Shares of nominal value of €0.29 (twenty nine cents) each;

*Avia Solutions Group PLC, Board of Directors  
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- (b) The Subscription Shares shall be allotted at a nominal value of EUR 0.29 (twenty nine cents) each for total issue price of EUR 300,000,000.00 (three hundred million Euros) for all the Subscription Shares.
- (c) Any pre-emptive and other rights the Company's shareholders may have by operation of law and/or pursuant to the articles of association of the Company and/or otherwise in connection with the issue and allotment of the Convertible Preferred Shares and the authority conferred to the Board of Directors in respect thereof shall be and are hereby irrevocably and unconditionally dis-applied.
- (d) Any pre-emptive and other rights the Company's shareholders may have by operation of law and/or pursuant to the articles of association of the Company and/or otherwise in connection with the conversion of the Convertible Preferred Shares into ordinary shares credited as fully paid and/or issue and/or allotment of the said ordinary shares credited as fully paid, in accordance with the provisions of the Articles, shall be and are hereby irrevocably and unconditionally dis-applied.
- (e) The Disapplication shall be valid for a period of five years from the date of the Extraordinary General Meeting of the shareholders of the Company.

**Grounds for the Board's recommendations**

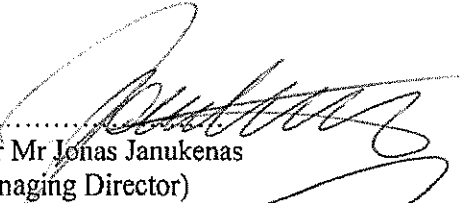
1. The Board recommends that the pre-emption rights be dis-applied for the following reasons:
  - (a) The Company has chosen to offer the Subscription Shares and receive the Subscription Price from the Subscriber because the Board of Directors deems that the Subscriber will bring expertise and significant industry knowledge to the Company;
  - (b) The Company intends to use the proceeds from the Subscription for future strategic acquisitions, capital expenditure as well as general corporate purposes;
  - (c) The total subscription price of €300,000,000 was determined on the basis of certain valuations of the Company conducted on the basis of the Company's financial results from 2019, 2020 and 2021 (as forecasts).

Bearing all the above in mind, the Board recommends to the shareholders of the Company that they proceed with the Disapplication of their pre-emption rights.

Signed on the 9 September 2021

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Director Mr Gediminas Ziemelis  
(the Chairman of the Board)

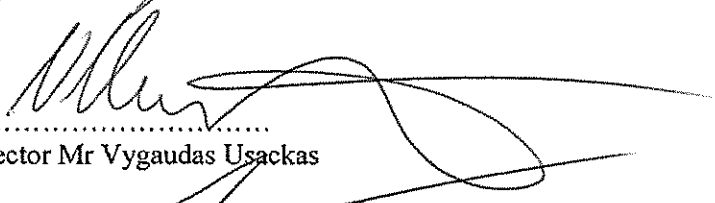
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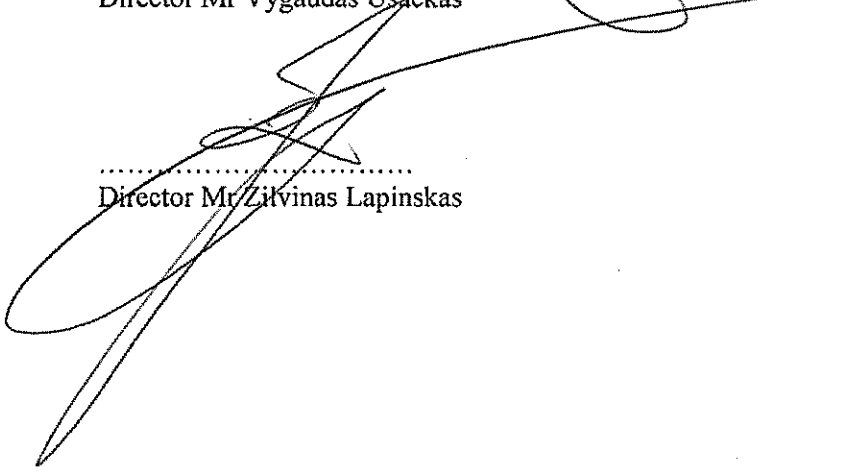
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Director Mr Jonas Janukenas  
(the Managing Director)



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Director Mr Linas Dovydenas



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Director Mr Vygaudas Usackas



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Director Mr Zilvinas Lapinskas