

STRICTLY PRIVATE AND CONFIDENTIAL

The Directors
Ultra Electronics Holdings plc
35 Portman Square
London
United Kingdom
W1H 6LR

16 August 2021

Dear Sirs / Madams,

Recommended cash acquisition of the entire issued and to be issued share capital of Ultra Electronics Holdings plc by Cobham Ultra Acquisitions Limited (the “Acquisition”)

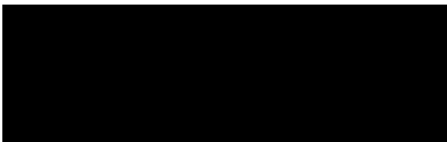
We refer to the announcement pursuant to Rule 2.7 of the City Code of Takeovers and Mergers to be issued on or around 16 August 2021 in connection with the Acquisition, a copy of which is attached hereto (the “**2.7 Announcement**”).

The 2.7 Announcement includes certain references to J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) (“J.P. Morgan”).

J.P. Morgan hereby confirms that it has given and not withdrawn its consent to the issue of the 2.7 Announcement with the inclusion therein of references to its name in the form and context in which they appear.

This letter is for your information only and should not be relied upon by any other person.

Yours faithfully,



For and on behalf of **J.P. Morgan Securities plc** (Lead Financial Adviser to Ultra Electronics Holdings plc)

J.P. Morgan Securities plc
25 Bank Street, Canary Wharf, London E14 5JP
Tel: +44 (0) 20 7777 2000 • Fax +44 (0) 20 3493 0684

Registered in England & Wales No. 2711006. Registered Office 25 Bank Street Canary Wharf, London E14 5JP. Authorised and regulated by the Financial Services Authority

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For immediate release

16 August 2021

RECOMMENDED CASH ACQUISITION

of

Ultra Electronics Holdings plc

by

Cobham Ultra Acquisitions Limited

(a wholly-owned indirect subsidiary of Cobham Group Holdings Limited)

**to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

Summary

- The boards of directors of Ultra Electronics Holdings plc (“Ultra”) and Cobham Ultra Acquisitions Limited (“Cobham”), a wholly-owned indirect subsidiary of Cobham Group Holdings Limited (“Cobham Group Holdings”), are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash acquisition of the entire issued, and to be issued, ordinary share capital of Ultra (the “Acquisition”).
- Under the terms of the Acquisition, each Ultra Shareholder will be entitled to receive:

for each Ultra Share: £35.00 in cash
- In addition, Ultra Shareholders will be entitled to receive, without any consequential reduction in the Consideration, the interim cash dividend of 16.2 pence per Ultra Share as announced by Ultra on 19 July 2021, which is due to be paid by Ultra on 17 September 2021 to those Ultra Shareholders who appear on the register of members of Ultra as at 27 August 2021 (the “Interim Dividend”).
- The price of £35.00 per Ultra Share, together with the Interim Dividend, values Ultra’s entire issued, and to be issued, ordinary share capital at approximately £2.57 billion on a fully diluted basis, and represents a premium of approximately:

- 63.1 per cent. to the Closing Price of £21.56 per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 68.8 per cent. to the volume-weighted average Closing Price of £20.83 per Ultra Share for the three-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 72.3 per cent. to the volume-weighted average Closing Price of £20.41 per Ultra Share for the six-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period); and
- 41.2 per cent. to the all-time highest Closing Price prior to the commencement of the Offer Period of £24.90 per Ultra Share.
- If, on or after the date of this Announcement and prior to the Acquisition becoming Effective, any dividend, distribution or other return of value is announced, declared, made or paid by Ultra (other than the Interim Dividend), Cobham reserves the right to reduce the Consideration payable under the terms of the Acquisition for the Ultra Shares by an amount equal to the aggregate amount of such dividend, distribution or other return of value. In such circumstances, Ultra Shareholders would be entitled to retain any such dividend, distribution or other return of value.
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Background to and reasons for the Acquisition

- Cobham and Ultra both have a history as innovators and share advanced complementary capabilities, delivering mission critical solutions to the US, UK and other key allies.
- Cobham considers that customers will benefit significantly from the combination, driven by the complementary design, engineering and manufacturing capabilities of the two groups, which will enable the delivery of more integrated and higher performance solutions to our mutual customers and wider stakeholders, including across the “five-eyes” nations.
- Cobham sees strong industrial logic for a combination with Ultra, which will facilitate accelerated revenue growth in both businesses, expansion on current shared platforms and programmes and wins on combined enhanced positions on platforms and programmes of the future.

Binding commitments to HM Government

- Cobham recognises the specific importance of Ultra’s contribution to the UK’s economy and national security and therefore Cobham and Cobham Group Holdings have agreed with Ultra in the Cooperation Agreement that they will offer legally binding and enforceable commitments to HM Government in respect of the Ultra Group.
- Following this Announcement, Cobham will, with Ultra’s support and involvement, engage proactively and collaboratively with HM Government to agree the detailed terms, duration, nature and form of these commitments, which would apply immediately from completion of the Acquisition to protect the Ultra businesses and stakeholders following closing.

- The commitments, which will apply immediately from completion of the Acquisition, will cover the following matters and areas:
 - safeguarding and supporting the UK's national security, including appropriate protections for sovereign UK capability, continuity of supply and critical capabilities in the UK, and appropriate board composition and national security clearance arrangements;
 - investing in Ultra's UK work force by protecting existing and creating new UK manufacturing and engineering jobs and apprenticeships and maintaining a UK headquarters;
 - increasing investment in innovation, and research and development in the UK, including by continuing to develop UK-registered intellectual property rights for use in the UK and through investment in new regional technology centres of excellence and funding of academic institutions; and
 - accelerating Ultra's ESG ambitions, including enhanced commitments on net carbon emissions, diversity and the community investment programme.
- Cobham also intends to establish a forum between it and the relevant representatives of HM Government to enable ongoing dialogue, co-operation and monitoring to ensure that HM Government has full visibility of Cobham's delivery of the commitments.
- Further details are set out at paragraph 10 (*Binding commitments to HM Government*) of this Announcement below.

Ultra UK DB Pension Scheme

- Cobham is delighted to confirm that it has entered into a legally binding Memorandum of Understanding with the trustee of the Ultra UK DB Pension Scheme, which sets out the parties' agreement with respect to the future funding of the Ultra UK DB Pension Scheme.

Ultra Recommendation

- The Ultra Directors, who have been so advised by J.P. Morgan Cazenove and Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the Ultra Directors. Numis is providing independent financial advice to the Ultra Directors for the purposes of Rule 3 of the Code.
- In addition to the financial and other terms of the Acquisition, the Ultra Directors have carefully considered the legally binding and enforceable commitments Cobham has agreed with Ultra, as part of the Cooperation Agreement, to offer to HM Government to safeguard the interests of Ultra's key stakeholders, which would apply immediately from completion of the Acquisition.
- Accordingly, the Ultra Directors intend to recommend unanimously that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as the Ultra Directors who hold Ultra Shares have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control,

totaling, in aggregate, 54,561 Ultra Shares representing approximately 0.08 per cent. of the issued ordinary share capital of Ultra on 13 August 2021 (being the latest practicable date before the date of this Announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

Information on Cobham

- Cobham is a wholly-owned indirect subsidiary of Cobham Group Holdings. The Cobham Group is a leading global technology and services innovator offering a suite of products, systems and engineering services that continue to enable innovative and cutting-edge solutions in space, avionics and electronics, in both commercial and defence markets.

Timetable and Conditions

- The terms of the Acquisition will be put to Ultra Shareholders at the Court Meeting and the General Meeting. The Court Meeting and the General Meeting are required to enable Ultra Shareholders to consider and, if thought fit, vote in favour of the Scheme and the Resolutions to implement the Scheme. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted. In addition, a special resolution implementing the Scheme must be passed by Ultra Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition will be subject to the Conditions and the further terms set out in Appendix 1 to this Announcement, including the receipt of relevant antitrust approvals in Austria, Canada, Germany, Turkey and the US and foreign investment and regulatory approvals in Australia, Canada and the UK. The Acquisition is expected to become Effective in Q1 2022.
- Cobham will work with Ultra to engage constructively with all relevant stakeholders to satisfy these conditions.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, will be sent to Ultra Shareholders as soon as practicable and in any event within 28 days of this Announcement (or such later time as Ultra, Cobham and the Panel agree). An expected timetable of principal events will be included in the Scheme Document.
- Commenting on this Announcement, Shonnel Malani, Chairman of the Cobham Group, said:

“We believe Cobham and Ultra’s complementary capabilities delivering mission critical technology will be significantly enhanced through the combination of the two groups, enabling the development of higher performance solutions for our customers.

“We recognise the important role that a combined Cobham and Ultra will play in ‘five-eyes’ defence and are committed to protecting the continuity of supply to the UK and our allies. We look forward to working with HM Government, and other relevant stakeholders,

to agree legally binding commitments which safeguard Ultra's contribution to the UK economy and national security."

- Mark T. Esper, Former US Secretary of Defense and non-executive director of Cobham AES, said:

"As a former US Secretary of Defense, I have seen first-hand the enduring importance of a close military relationship between the UK and the US. I am also aware of the evolving threats our two nations, and our allies, face. As such, it is essential that we have defence companies capable of meeting our joint security needs. The enhanced capabilities of a combined Cobham and Ultra promise to deliver significant benefits to both countries."

- Martin Clements, Former Director General of the UK Foreign & Commonwealth Office and non-executive director of Cobham Limited, said:

"During my 30 years at the Foreign and Commonwealth Office, I was able to see first-hand the critical role both technology and international co-operation play in meeting the UK's security and defence needs. The increased scale and international footprint of a combined Cobham and Ultra will further strengthen the company's ability to address the national security requirements of the UK and its allies."

- Tony Rice, Chairman of Ultra, said:

"The Ultra Board is confident of Ultra's future prospects as an independent listed company and its ability to deliver excellent and sustainable value for all its stakeholders. The Ultra Board is also extremely pleased with the excellent progress that the management team is making on executing the ONE Ultra strategy and the Focus; Fix; Grow transformation programme. This was clearly recognised and part of the rationale behind Cobham's interest in Ultra and enabled the Ultra Board to review Cobham's unsolicited approaches from a position of strength."

"In considering Cobham's various approaches, the Ultra Board reviewed the Ultra Group's strategic plans and financial projections in detail, as well as comparative trading and transaction multiples. The Ultra Board recognises the very significant premium to Ultra's undisturbed share price and to its all-time high share price. The offer price compares favourably to the current value of Ultra's risk adjusted future financial performance and also recognises the remarkable value creation that has taken place under current management. The Ultra Board has also spent considerable time reviewing the potential impact of Cobham's ownership on Ultra's stakeholders and is comfortable that their stakeholder commitments plus legally binding undertakings to HM Government will protect stakeholder interests appropriately. The Ultra Board therefore unanimously intends to recommend the Cobham offer to shareholders."

- Simon Pryce, Chief Executive Officer of Ultra, said:

"Today's offer from Cobham reflects the significant progress and value that has been created by the whole Ultra team from our ONE Ultra strategy and from the progress we are making on our Focus; Fix; Grow transformation. The team should be very proud of what they have achieved so far."

“This combination will enhance Ultra’s prospects through Cobham’s stated intentions to accelerate our transformation, invest in our technology, and to continue to support our customers, operations, communities, and most importantly our talented and committed people.

“The combination will also create a defence electronics business of greater scale, bringing together two businesses with complementary technology, design, engineering and manufacturing capabilities, which we believe will enable the delivery of a broader range of integrated, cost competitive and high performance solutions across a wider range of platforms, benefitting our mutual customers and wider stakeholders.”

This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information contained in this summary and this Announcement. Appendix 3 contains details of the irrevocable undertakings received by Cobham. Appendix 4 contains the definitions of certain terms used in this Announcement.

Enquiries

Ultra **+44 (0) 78 9120 6239**

Gabriella Colley, Senior Vice President, Investor Relations & Communications
Investor.relations@ultra-electronics.com

J.P. Morgan Cazenove (Lead Financial Adviser and Corporate Broker to Ultra) **+44 (0) 20 7742 4000**

Robert Constant / James Robinson / Richard Perelman / Chris Gallagher

Numis (Financial Adviser and Corporate Broker to Ultra) **+44 (0) 20 7260 1000**

Garry Levin / Stuart Ord / George Price

Engine MHP (Financial PR Adviser to Ultra) **+44 (0) 20 3128 8570**

Tim Rowntree / Pete Lambie
Ultra@mhpc.com

Tulchan Communications (Financial PR Adviser to Cobham) **+44 (0) 20 7353 4200**

Graeme Wilson / Harry Cameron

Rothschild & Co (Financial Adviser to Cobham)

+44 (0) 20 7742 4000

Aadeesh Aggarwal / Ravi Gupta / Nick Ivey /
Sabina Pennings

Credit Suisse (Financial Adviser to Cobham)

+44 (0)20 7888 8888

Joe Hannon / Davide Sala / Ben Deary /
David Watkins

Goldman Sachs (Financial Adviser to Cobham)

+44 (0) 20 7774 1000

Mark Sorrell / Nick Harper / Bertie
Whitehead

Morgan Stanley (Financial Adviser to Cobham)

+44 (0) 20 7245 8000

Hossein Amir-Aslani / Gwen Billon / Tom
Perry

Kirkland & Ellis International LLP is acting as legal adviser to Cobham in connection with the Acquisition.

Slaughter and May is acting as legal adviser to Ultra in connection with the Acquisition.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Ultra in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document), which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document). This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

J.P. Morgan Cazenove, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting as financial adviser exclusively for

Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein.

Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of Numis, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this Announcement, any statement contained herein or otherwise.

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser for Cobham and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.

Credit Suisse, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Cobham and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Cobham for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the content of this Announcement or any matter referred to herein. Neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.

Goldman Sachs, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting exclusively for Cobham and no one else in connection with the matters set out in this Announcement. Goldman Sachs will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Goldman Sachs nor for providing advice in relation to any matter referred to herein.

Morgan Stanley which is authorised by the PRA and regulated by the FCA and the PRA in the UK is acting exclusively as financial adviser to Cobham and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

Overseas jurisdictions

The availability of the Acquisition to Ultra Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the UK to vote their Ultra Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

The release, publication or distribution of this Announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law, the UK Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the UK.

Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction, and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send them in or into or from any such jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to overseas shareholders will be included in the Scheme Document.

US Holders

US Holders should note that the Acquisition relates to the securities of an English company, is subject to UK disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act of 1934. Accordingly, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information

included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if, in the future, Cobham were to exercise its right to implement the Acquisition of the Ultra Shares by way of an Offer, such Offer will be made in compliance with applicable US tender offer and securities laws and regulations.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Ultra Shareholder is urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Cobham and Ultra are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law, in accordance with normal UK market practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Cobham or its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Ultra Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Cobham and Ultra contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Cobham and Ultra about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Cobham and Ultra, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Cobham and Ultra believe that the expectations reflected in such forward-looking statements are reasonable, Cobham and Ultra can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk

and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions; changes in general economic and business conditions; the behaviour of other market participants; the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Cobham and Ultra operate; weak, volatile or illiquid capital and/or credit markets; changes in tax rates, interest rates and currency value fluctuations; the degree of competition in the geographic and business areas in which Cobham and Ultra operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Cobham nor Ultra, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Cobham nor Ultra is under any obligation, and Cobham and Ultra expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates or quantified financial benefits statements

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Cobham or Ultra, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cobham or Ultra, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Ultra's website at www.ultra.group/gb/ and Cobham's website at www.cobham.com by no later than 12 noon (London time) on the business day following this Announcement. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Ultra Shareholders, persons with information rights and participants in Ultra Share Plans may request a hard copy of this Announcement by contacting Ultra's registrars, Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling +44 (0)371 3842048. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 am and 5.30 pm Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Ultra Shareholders, persons with information rights and other relevant persons for the receipt of communications from Ultra may be provided to Cobham during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Person responsible

The person responsible for arranging the release of this announcement on behalf of Ultra is Louise Ruppel, General Counsel & Company Secretary.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For immediate release

16 August 2021

RECOMMENDED CASH ACQUISITION

of

Ultra Electronics Holdings plc

by

Cobham Ultra Acquisitions Limited

(a wholly-owned indirect subsidiary of Cobham Group Holdings Limited)

**to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

1 INTRODUCTION

The boards of directors of Ultra Electronics Holdings plc ("Ultra") and Cobham Ultra Acquisitions Limited ("Cobham"), a wholly-owned indirect subsidiary of Cobham Group Holdings Limited ("Cobham Group Holdings"), are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash acquisition of the entire issued, and to be issued, ordinary share capital of Ultra. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

2 THE ACQUISITION

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and the full terms and conditions to be set out in the Scheme Document, each Ultra Shareholder will be entitled to receive:

for each Ultra Share: £35.00 in cash

In addition, Ultra Shareholders will be entitled to receive, without any consequential reduction in the Consideration, the interim cash dividend of 16.2 pence per Ultra Share announced by Ultra on 19 July 2021, which is due to be paid by Ultra on 17 September 2021 to those Ultra Shareholders who appear on the register of members of Ultra as at 27 August 2021 (the "Interim Dividend").

The price of £35.00 per Ultra Share, together with the Interim Dividend, values Ultra's entire issued, and to be issued, ordinary share capital at approximately £2.57 billion on a fully diluted basis, and represents a premium of approximately:

- 63.1 per cent. to the Closing Price of £21.56 per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 68.8 per cent. to the volume-weighted average Closing Price of £20.83 per Ultra Share for the three-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period);
- 72.3 per cent. to the volume-weighted average Closing Price of £20.41 per Ultra Share for the six-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period); and
- 41.2 per cent. to the all-time highest Closing Price prior to the commencement of the Offer Period of £24.90 per Ultra Share.

3 DIVIDENDS

Under the terms of the Acquisition, Cobham has agreed that Ultra Shareholders will be entitled to receive the Interim Dividend without any consequential reduction in the Consideration payable by Cobham in respect of each Ultra Share under the Acquisition.

Other than the Interim Dividend, if any dividend, distribution or other return of value is announced, declared, made or paid by Ultra in respect of Ultra Shares on or after the date of this Announcement and before the Effective Date, Cobham reserves the right to reduce the Consideration payable in respect of each Ultra Share under the Acquisition by the amount of all or part of any such dividend, distribution or return of value. In such circumstances, Ultra Shareholders would be entitled to retain any such dividend, distribution or other return of value.

4 BACKGROUND TO AND REASONS FOR THE ACQUISITION

The Cobham Group is a leading global technology innovator providing solutions to the most challenging problems, primarily in aerospace, defence and space, to the US, UK and other key allies.

Within its portfolio, Cobham has been investing significantly to scale and develop its defence electronics business. It has also considered opportunities to acquire other innovative defence electronics businesses with highly differentiated mission critical solutions which serve adjacent end markets.

In this context, Cobham believes that an acquisition of Ultra is very much aligned with its strategy. Cobham and Ultra both have a history as innovators and share advanced complementary capabilities, delivering mission critical solutions to the US, UK and other key allies. Much like Cobham, Ultra's technically differentiated solutions have enabled its development of leading capabilities in its chosen markets.

Cobham considers that customers will benefit significantly from the combination, driven by the complementary design, engineering and manufacturing capabilities of the

two groups. This will enable the delivery of more integrated and higher performance solutions to their mutual customers and wider stakeholders.

The defence industry, in which both Cobham and Ultra operate, is a highly competitive landscape with multiple scale competitors. Continuing to maintain and win new strategic platform and programme positions over the long-term requires both highly targeted continued investment in next generation technologies and differentiated capabilities, but also deep customer intimacy and reach to allow for prioritised and timely investment. Cobham believes that there is also an increasing emphasis on the benefits of greater levels of integrated solutions being provided by the smaller, more specialist industry participants such as Cobham and Ultra.

Cobham and Ultra already serve a number of the same customers in the US, the UK, and across the wider “five-eyes” alliance and indeed provide systems and solutions to a number of the same platforms, such as the F-35 Joint Strike Fighter, the F-15, the F-22, the F-16 and the P-8. As a result, Cobham sees strong industrial logic for a combination with Ultra and considers that the enlarged Cobham Group would allow for synergies from enhanced customer intimacy and capability offering. This would in turn lead to accelerated revenue growth in both businesses, expansion on current shared platforms and programmes and wins on combined enhanced positions on platforms and programmes of the future.

5 ULTRA RECOMMENDATION

The Ultra Directors, who have been so advised by J.P. Morgan Cazenove and Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the Ultra Directors. Numis is providing independent financial advice to the Ultra Directors for the purposes of Rule 3 of the Code.

Accordingly, the Ultra Directors intend to recommend unanimously that Ultra Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as the Ultra Directors who hold Ultra Shares have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control, totaling, in aggregate, 54,561 Ultra Shares representing approximately 0.08 per cent. of the issued ordinary share capital of Ultra on 13 August 2021 (being the latest practicable date before the date of this Announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to the Announcement.

6 BACKGROUND TO AND REASONS FOR THE RECOMMENDATION

Ultra Group launched its ONE Ultra strategy in January 2020 and its Focus; Fix; Grow transformation plan to:

- Focus on the Ultra Group’s core strengths in the Maritime, Intelligence & Communications and Critical Detection & Control markets through executing a clear strategy;

- Fix and standardise core processes around: Operating Model, Site Excellence, Operational and Functional Excellence, Procurement, Technology Enablement and creating a ONE Ultra culture; and
- Grow value, accelerate growth and deliver exceptional outcomes for all Ultra's stakeholders.

The Focus; Fix; Grow transformation is proceeding well and ahead of expectations, with many workstreams now well into their execution phase. As the transformation has matured, the Ultra Board is increasingly certain of its ability to deliver major benefits to Ultra stakeholders. The transformation is expected to enhance operating performance and efficiency, improve programme execution and delivery and optimise costs. This will provide additional resources to build on and further strengthen Ultra's strong technology base. In addition, through improving engineering efficiency, Ultra can increase capacity; while investing more in facilities, systems, branding and training improves Ultra's ability to attract, develop and retain talented people. The Ultra Board expects this, together with an enhanced strategic sales capability, will drive further sustainable growth and value creation.

Ultra's results for the six-month period ended 2 July 2021 show the continued progress which is being made, with 14.3 per cent. organic order book growth, 25.4 per cent. organic underlying operating profit growth, return on invested capital of 21.3 per cent. and a strong balance sheet with only 0.65x net debt to EBITDA and 0.19x on a covenant basis, which excludes pension liabilities and lease liabilities.

The Ultra Group's strong financial performance is evidence of the benefits of Ultra's strategic re-positioning as an agile player in long-term growth markets. The Ultra Group has a robust business model with excellent order visibility, high returns on invested capital and strong cash generation. This, combined with a strong technology base focused on addressing customers' future needs and the enhanced potential from the Focus; Fix; Grow transformation plan, is driving expansion in Ultra's £12 billion sales pipeline and further growth in its order book which, at £1.3 billion, is currently at a record level.

As a result, the Ultra Board is very confident of Ultra's future prospects as an independent listed company and its ability to deliver excellent and sustainable value for all stakeholders.

The Ultra Board did not therefore solicit an offer from Cobham or indeed any third party. It immediately rejected Cobham's unsolicited approach at £28.00 per Ultra Share and, whilst being cognisant of its fiduciary duties to all stakeholders, rejected a number of subsequent proposals. However, at a price of £35.00 per Ultra Share plus the Interim Dividend of 16.2 pence per Ultra Share in cash, the Ultra Board noted the significant premium Cobham's offer represented to the undisturbed share price and to the all-time highest Closing Price per Ultra Share prior to the commencement of the Offer Period.

The Ultra Board, having reviewed in detail the Ultra Group's strategic plans and financial projections, as well as comparative trading and transaction multiples, also recognised that an offer at this level would allow Ultra's Shareholders to realise Ultra's likely future value today, without corresponding execution risk. The Ultra Board

therefore engaged in more detailed discussions with Cobham, which has committed to appropriate safeguards for the interests of Ultra's broader stakeholders.

In particular, the Ultra Directors note that:

- the combination of Cobham and Ultra will create a defence electronics business of greater scale and bring together two businesses with complementary technology, design, engineering and manufacturing capabilities. Both Cobham and Ultra believe this will enable the delivery of a broader range of integrated, cost competitive and high performance solutions across a wider range of platforms, benefitting mutual customers and wider stakeholders;
- the Acquisition represents an opportunity for Ultra Shareholders to realise their investment in Ultra in cash in the near term;
- the Acquisition represents a premium of approximately:
 - 63.1 per cent. to the Closing Price of £21.56 per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period);
 - 68.8 per cent. to the volume-weighted average Closing Price of £20.83 per Ultra Share for the three-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period);
 - 72.3 per cent. to the volume-weighted average Closing Price of £20.41 per Ultra Share for the six-month period ended 24 June 2021 (being the last business day before the commencement of the Offer Period); and
 - 41.2 per cent. to the all-time highest Closing Price prior to the commencement of the Offer Period of £24.90 per Ultra Share;
- the terms of the Acquisition imply an IFRS enterprise value multiple of approximately 17.7x 2020 EBITDA for Ultra; and
- the willingness and intentions of Cobham to offer safeguards for stakeholder interests, including employees, customers, pension schemes, national security stakeholders and others following the Acquisition. These safeguards include:
 - Cobham's agreement in the Cooperation Agreement to offer HM Government a number of legally binding commitments, across the range of matters and areas further detailed in paragraph 10 (*Binding commitments to HM Government*) below, which recognise the importance of Ultra's contribution to the UK economy and national security and which, under HM Government's custodianship, would serve to safeguard and enhance these stakeholder interests following the Acquisition;
 - the agreement of Cobham for the Ultra Board, as appropriate and necessary, to be involved and to support Cobham in the finalisation of the detailed terms, duration, nature and form of these commitments to HM Government;

- Cobham's intention, as stated in paragraph 11 (*Intentions regarding business, management, employees, pension schemes, research and development and locations*) below, to fully support and accelerate global investment in its Focus; Fix; Grow transformation programme, as well as the proposed legally binding commitments on investment in research and development and the protection and creation of jobs and the stated intention not to change the location or functions of the main sites of Ultra's operating business units;
- Cobham's intention, as stated in paragraph 11 (*Intentions regarding business, management, employees, pension schemes, research and development and locations*) below, to fully safeguard the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of Ultra and its subsidiaries in accordance with applicable law; and
- the Memorandum of Understanding agreed between Cobham and the trustee of the Ultra UK DB Pension Scheme with respect to the future funding of that pension scheme on which further background is given in paragraph 11 (*Intentions regarding business, management, employees, pension schemes, research and development and locations*) below.

Accordingly, following careful consideration of the above factors and their fiduciary duties, the Ultra Directors intend to unanimously recommend the Acquisition to Ultra Shareholders.

7 IRREVOCABLE UNDERTAKINGS

As described above, each of the Ultra Directors who holds Ultra Shares has irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed to implement the Scheme at the General Meeting in respect of their own beneficial holdings which are under their control, totaling, in aggregate, 54,561 Ultra Shares representing approximately 0.08 per cent. of the issued ordinary share capital of Ultra on 13 August 2021 (being the latest practicable date before the date of this Announcement).

The undertakings from the Ultra Directors will cease to be binding only if: (i) the Panel consents to Cobham not proceeding with the Acquisition; (ii) the Scheme Document is not dispatched to Ultra Shareholders within 28 days (or such longer period as may be agreed between Ultra and the Panel) of this Announcement; (iii) the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become effective on or before the Longstop Date (other than in circumstances where Cobham has, prior to such date, elected (in accordance with the Cooperation Agreement) to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code, and such Offer has not lapsed or been withdrawn); (iv) any competing offer for the entire issued and to be issued share capital of Ultra becomes or is declared wholly unconditional or, if proceeding by way of scheme of arrangement, becomes effective; (v) Cobham announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised, or replacement Scheme or Offer is announced by Cobham in accordance with Rule 2.7 of the Code at the same time; or (vi) the Scheme lapses or is withdrawn

in accordance with its terms and Cobham publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

8 INFORMATION RELATING TO COBHAM AND ADVENT

Cobham

The business of the Cobham Group was founded in 1934 and today employs over 6,000 people worldwide with its headquarters in the UK, and with operating locations in the US, continental Europe and in Australia, as well as other international satellite locations and sales offices. The Cobham Group is a leading global technology and services innovator offering a suite of products, systems and engineering services that continue to enable innovative and cutting-edge solutions in space, avionics and electronics, in both commercial and defence markets. It has specialist capabilities and know-how in: wireless, audio, video and data communications, including satellite communications, defence electronics, avionics and space exploration, microwave components and systems, rotating sub-systems and slip rings, and specialist aviation services.

Cobham is a newly incorporated limited company registered in England and Wales and a wholly-owned indirect subsidiary of Cobham Group Holdings. Further details in relation to Cobham will be contained in the Scheme Document.

The Cobham Group operates across the following business units, each with differentiated capabilities and many leading market positions:

- Communications and Connectivity (including Aerospace Communications, Electrical and Electronic Equipment, and SATCOM) - provides critical and innovative technology to enable resilient communications in complex, harsh, hazardous and regulated environments, in air and space, on land and at sea;
- Cobham AES - provides advanced electronic solutions with technology that pioneers the future and underpins many of the world's most critical missions across defence, aviation and space. Cobham AES makes the impossible possible with customised solutions for the entire signal chain, from aperture to digital conversion; and
- Aviation Services Australia - delivers aviation services for military and civil customers across all states and territories of Australia, including aerial border surveillance, search-and-rescue operations, and closed charter (fly-in, fly-out) passenger and freight services.

Advent and its affiliates have indirectly controlled the Cobham Group since January 2020.

Advent

Founded in 1984, Advent is one of the largest and most experienced global private equity investors. The firm has invested in over 375 private equity transactions in 43

countries and as of 31 March 2021 it had more than US\$74 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of over 245 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial services, healthcare, industrial, retail, consumer, leisure and technology. After more than 35 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies.

Advent has a strong track record of investing in high quality industrial and engineering companies. Its extensive global footprint and operational improvements experience make it a strong owner with the capability to drive continued improvement and growth of the businesses. In addition, Advent has assembled a team of external operating partners, operations advisors and former senior executives with deep sector and functional expertise who complement Advent's investment experience.

9 INFORMATION RELATING TO ULTRA

Ultra was formed in 1993 to acquire the Electronic Systems division of Dowty Group plc and was listed on the London Stock Exchange in 1996. Since then, Ultra has grown both organically and through over fifty acquisitions. For the financial year ended 31 December 2020, revenue for the Ultra Group was £860 million, of which 64 per cent. was generated from sales to North America and 18 per cent. was generated from sales to the UK.

Ultra has a small headquarters in London and three strategic business units operating primarily in the US, UK, Canada and Australia. Ultra employs over 4,600 talented people across the globe, with the largest number based in North America.

Ultra provides application-engineered solutions in the key elements of mission critical and intelligent systems that are on many of the world's long-term defence programmes. Ultra partners with the US Department of Defense (DoD direct and indirect sales represented 43 per cent. of 2020 revenue), the UK Ministry of Defence (MoD direct and indirect sales represented 13 per cent. of 2020 revenue) and other aerospace, defence and critical infrastructure providers, both directly and through prime contractors.

Through innovative problem solving, and by using evolving technologies, Ultra engages directly with its customers to design mission-led solutions aligned to their future needs. Technology design is Ultra's core capability, used to detect, distil, direct and deploy data and information where it is needed most. In 2020, Ultra and its customers invested an amount equal to 17 per cent. of Ultra Group revenue into research and development, with the majority of customer funding coming from the US DoD or US prime contractors.

Ultra's core markets are the "five-eyes" nations (Australia, Canada, New Zealand, the UK and the US) in the following sectors: maritime, C4ISR/EW (command, control, communications, computers, intelligence, surveillance, and reconnaissance / electronic warfare), military and commercial aerospace, nuclear and industrial sensors.

Ultra's business units are:

1) *Ultra Maritime (46 per cent. of 2020 revenue)*

A strategic partner in the maritime defence domain, primarily across the “five-eyes” nations, delivering:

- Sonobuoy Systems;
- Sonar Systems;
- Naval Systems & Sensors; and
- Signature Management & Power.

2) *Ultra Intelligence & Communications (28 per cent. of 2020 revenue)*

Delivering information advantage to the war fighter through the intelligent application of technologies in:

- Command, Control & Intelligence;
- Tactical Communications;
- Advanced Cyber Security; and
- Specialised Radio-Frequency Systems.

3) *Critical Detection and Control (26 per cent. of 2020 revenue)*

Developing and delivering control systems, data analytics and sensors to solve complex problems for customers in the following markets:

- Precision Control Systems;
- Forensic Technology; and
- Energy, Industrial Sensors and Systems.

10 BINDING COMMITMENTS TO HM GOVERNMENT

Cobham recognises the specific importance of Ultra’s contribution to the UK’s economy and national security.

Accordingly, Cobham and Cobham Group Holdings have agreed with Ultra in the Cooperation Agreement that they will offer legally binding and enforceable commitments to HM Government in respect of the Ultra Group.

Cobham and Cobham Group Holdings have agreed with Ultra that, as part of the Cooperation Agreement, they will, with Ultra’s support and involvement, agree the detailed terms, duration, nature and form of these commitments directly with HM Government as it is HM Government that is the appropriate ongoing custodian for such commitments. As such, Cobham will now engage proactively and collaboratively with HM Government to agree these legally binding and enforceable commitments, which

would apply immediately from completion of the Acquisition to protect the Ultra businesses and stakeholders following closing, and will cover the following matters and areas:

- safeguarding and supporting the UK’s national security, including appropriate protections for sovereign UK capability, continuity of supply and critical capabilities in the UK, and appropriate board composition and national security clearance arrangements;
- investing in Ultra’s UK work force by protecting existing and creating new UK manufacturing and engineering jobs and apprenticeships and maintaining a UK headquarters;
- increasing investment in innovation, and research and development in the UK, including by continuing to develop UK-registered intellectual property rights for use in the UK and through investment in new regional technology centres of excellence and funding of academic institutions; and
- accelerating Ultra’s ESG ambitions, including enhanced commitments on net carbon emissions, diversity and the community investment programme.

Cobham also intends to establish a forum between it and the relevant representatives of HM Government to enable ongoing dialogue, co-operation and monitoring to ensure that HM Government has full visibility of Cobham’s delivery of the commitments.

No statement in this paragraph 10 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

11 INTENTIONS REGARDING BUSINESS, MANAGEMENT, EMPLOYEES, PENSION SCHEMES, RESEARCH AND DEVELOPMENT AND LOCATIONS

As set out in paragraph 4 (*Background to and reasons for the Acquisition*) above, Cobham believes that the combination of Ultra’s high quality businesses with the Cobham Group’s complementary design, engineering and manufacturing capabilities will enable the enlarged Cobham Group to deliver more integrated and higher performance solutions to their mutual customers and, in turn, greater benefits to all of their wider stakeholders through enhanced growth and profitability. In addition, this consolidation will make both companies competitively stronger in a sector where scale matters.

Cobham understands the important role that Ultra plays in all the countries in which it operates and intends to continue to serve as an important supplier to the sector. Ultra’s core markets are the “five-eyes” allied nations (Australia, Canada, New Zealand, the UK and the US) and these will remain the key focus areas for the enlarged Cobham Group in the future. Cobham intends to ensure that Ultra continues to thrive in each of these markets and continues to design mission-led solutions aligned to the future needs of customers across the “five-eyes” nations. Cobham believes there are many exciting growth opportunities across the “five-eyes” nations and that Ultra’s focus on these nations as its core markets, as well as its operating and research and development footprint across the “five-eyes” nations, positions the business very well for the future.

In the UK specifically, Cobham recognises Ultra's role in supporting the UK's strategic capabilities. Cobham intends to ensure that Ultra will continue to deliver and maintain the capabilities to deliver on all of Ultra's contractual obligations, including those with HM Government in relation to which it has agreed to give legally binding undertakings. In addition, Cobham believes that the broadened technology capabilities in the UK, US, Canada and Australia can be of great benefit to the UK's future defence needs, and it is Cobham's intention to support the UK in these pursuits, should HM Government desire it.

Cobham has had the opportunity to discuss at a high level with Ultra's senior management, Ultra's global investment in its Focus; Fix; Grow transformation programme and intends to fully support and accelerate this programme to deliver excellent outcomes for all stakeholders.

Prior to this Announcement, consistent with market practice, Cobham has been granted access to Ultra's senior management for the purposes of confirmatory due diligence. However, because of the constraints of a public offer process, Cobham has not yet had access to sufficiently detailed information to formulate specific plans regarding the full impact of the Acquisition on the Ultra Group. Therefore, following completion of the Acquisition, Cobham intends to work with Ultra's management to undertake a detailed evaluation of the Ultra Group (the "**Review**"). The Review will include:

- an appraisal of the short and long-term objectives, strategy, and potential of Ultra's business;
- engaging with the key stakeholders of each business;
- an analysis of progress on Ultra's key products, programmes and research and development initiatives; and
- considering how best to position Ultra's businesses to compete more strongly, which would include evaluating the best corporate organisational setup for the enlarged Cobham Group going forward.

The Review will also consider the Energy business and Forensics business, which together in 2020 represented less than 10 per cent. of the Ultra business measured by revenue and which in 2020 management of Ultra referred to as having less Ultra parenting benefit, and the fact that the Energy and Forensics businesses operate outside of the wider aerospace and defence markets. Therefore, as part of the Review, Cobham will consider whether these businesses may be candidates for disposal as non-core to Ultra's wider aerospace- and defence-focused business. Any such decisions would only be taken in the light of the views of key stakeholders, including key government and other customers, and would be subject to the suitability of any potential buyers and the satisfaction of applicable regulatory approvals and conditions.

Cobham expects that the Review will be completed within approximately three to six months from the Effective Date.

Headquarters, locations, fixed assets, and research and development

Cobham and Ultra both have a history as innovators and a proven track record of utilising their advanced capabilities to deliver mission critical solutions to the UK, the US and other key allies. Cobham is also committed to protecting Ultra's contribution to the defence of the UK.

In recognition of this, Cobham has no plans to undertake any material restructurings or change in the locations of Ultra's manufacturing or research and development facilities, in each case, other than pursuant to internal reorganisations within the enlarged Cobham Group or otherwise as set out in management's existing plans as part of the Focus; Fix; Grow transformation programme. Cobham notes that under this programme, Ultra's management has already initiated the consolidation of some of its Greenford and Farnborough activities into a new facility in Maidenhead and is in the process of establishing expanded operations in Weymouth and Cheltenham.

Further, Cobham has no plans to change the location or functions of the main sites of Ultra's operating business units (which are currently variously in the US, Canada, Australia and the UK). However, a limited number of corporate and support functions, including functions related to Ultra's publicly-listed status, will potentially not be needed following the completion of the Acquisition. Cobham has not yet developed proposals as to how any such headcount reductions will be implemented, but any individuals impacted will be treated in a manner consistent with Ultra's high standards, culture and practices.

Other than pursuant to internal reorganisations within the enlarged Cobham Group or otherwise as set out in management's existing plans as part of the Focus; Fix; Grow transformation programme, no significant changes are envisaged by Cobham with respect to the redeployment of Ultra's fixed asset base.

Cobham understands the importance of research and development to Ultra and its businesses and, as noted above, has agreed to give legally binding undertakings to HM Government to increase investment in this area, including through investment in new regional technology centres of excellence and funding of academic institutions.

Pensions

Cobham recognises the importance of upholding Ultra's pension obligations and ensuring that its pension schemes are appropriately funded in accordance with statutory and trust deed requirements.

Ultra operates the Ultra Electronics Pension Scheme, a defined benefit pension scheme in the UK that was closed to new entrants in 2003 and closed to future accrual in 2016 (the "Ultra UK DB Pension Scheme"). As at 31 December 2020, the Ultra UK DB Pension Scheme had a net deficit of £56.6 million. In relation to the Ultra UK DB Pension Scheme, Ultra has an existing agreement with the Trustee board pursuant to which Ultra has agreed to maintain payments at a level of £11 million per annum to eliminate the deficit over the period ending March 2025. Cobham has held constructive discussions with the Trustee, and is delighted to confirm that Cobham and the Trustee have entered into a legally binding Memorandum of Understanding dated 13 August

2021 relating to the future funding of the Ultra UK DB Pension Scheme. The key terms of the Memorandum of Understanding include:

- immediately from the Effective Date, entitlement of the Ultra UK DB Pension Scheme to cash contributions increased to £100 million in aggregate over five years, with £53 million to be paid on or before the first anniversary of the Effective Date and the remaining £47 million to be paid in the subsequent four years; and
- as soon as practicable following the Effective Date, the grant to the Ultra UK DB Pension Scheme of £125 million of security to rank *pari passu* with the security granted to senior lenders to the Ultra Group to secure current and future liabilities of the Ultra Group to the Ultra UK DB Pension Scheme.

Ultra also operates a defined benefit pension scheme in Canada, which is closed to new employees and had a net deficit of £0.6 million as at 31 December 2020 (the “Canadian DB Scheme”). Cobham does not intend to reopen the Canadian DB Scheme and intends to continue with the regular payments currently being made by Ultra to maintain a satisfactory funding position.

Since the Ultra UK DB Pension Scheme was closed, new UK staff have been invited to become members of the Ultra Electronics Group Personal Pension Plan and, since April 2011, the Ultra Electronics Group Flexible Retirement Plan. Ultra also operates defined contribution plans in the US and Canada. Cobham does not intend to make any changes to the current contribution arrangements for these pension plans.

Existing employment rights

Cobham intends to fully safeguard the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of Ultra and its subsidiaries in accordance with applicable law, and does not envisage making any material changes to the conditions of employment of the Ultra employees.

Save as described above and subject to the outcome of the Review referred to above, Cobham does not intend to make any material reduction to the headcount or any material change to the conditions of employment or to the balance of skills and functions of the Ultra Group’s employees or management. Rather, as noted above, Cobham intends to give legally binding commitments to protect existing and create new UK manufacturing and engineering jobs.

Management incentivisation arrangements

Cobham has not entered into, and has not discussed any form of incentivisation arrangements with members of Ultra’s management. Cobham expects to put in place certain incentive arrangements for the management of Ultra following completion of the Acquisition. Under the terms of the Cooperation Agreement, Cobham has agreed that Ultra may pay retention and recruitment bonuses up to an aggregate value of £6 million, in order to ensure that Ultra continues to maintain its world-class workforce.

Trading facilities

Ultra Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 16 (*Suspensions and cancellation of trading, and re-registration*), applications will be made for the cancellation of the listing of Ultra Shares on the Official List and the cancellation of trading of the Ultra Shares on the London Stock Exchange.

Post-offer undertakings

No statement in this paragraph 11 constitutes or is intended to become a post-offer undertaking under Rule 19.5 of the Code.

12 ULTRA SHARE PLANS

Participants in the Ultra Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the Ultra Share Plans and an appropriate proposal will be made to such participants which reflects their options and awards under the Ultra Share Plans in due course. Details of the impact of the Scheme on each of the Ultra Share Plans will be set out in the Scheme Document.

13 FINANCING

The Consideration payable by Cobham to Ultra Shareholders under the terms of the Acquisition will be funded by a combination of equity and debt financing.

The equity is to be drawn from funds managed by Advent. Other potential investors may take indirect minority interests in Cobham on or around the Effective Date or once the Acquisition completes.

The debt financing is to be provided pursuant to the Interim Facilities Agreements.

Rothschild & Co, Credit Suisse and Goldman Sachs, each in its capacity as financial adviser to Cobham, are satisfied that the resources available to Cobham are sufficient to satisfy in full the Consideration payable to Ultra Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

14 OFFER-RELATED ARRANGEMENTS

Confidentiality Agreement

On 19 July 2021, AIC, Cobham Limited and Ultra entered into the Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, Cobham and AIC gave certain undertakings: (a) to, subject to certain exceptions, keep information relating to Ultra and the Acquisition confidential and not to disclose it to third parties; and (b) to use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 19 July 2023 and completion of the Acquisition by Cobham.

Joint Defence Agreement

On 30 July 2021, AIC, Cobham Limited, Ultra and their respective legal counsels have entered into the Joint Defence Agreement to ensure that any exchange and/or disclosure of confidential information relating to the parties and in relation to, in particular, the anti-trust workstream, only takes place between their respective legal counsel and external experts, does not diminish in any way the confidentiality of such materials, and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

Cooperation Agreement

On 16 August 2021, Cobham, Cobham Group Holdings Limited, AIC and Ultra entered into the Cooperation Agreement, pursuant to which: (i) Ultra has agreed to co-operate with Cobham and Cobham Group Holdings to assist with the satisfaction of certain regulatory conditions, and Cobham, Cobham Group Holdings and AIC have entered into commitments in relation to obtaining antitrust and regulatory clearances; (ii) Cobham and Cobham Group Holdings have agreed to offer to HM Government legally binding commitments covering the matters and areas described in paragraph 10 (*Binding commitments to HM Government*) above; (iii) Cobham has agreed to provide Ultra with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (iv) Ultra and Cobham have agreed to certain provisions if the Scheme should switch to an Offer; and (v) Ultra and Cobham have agreed certain arrangements in respect of employees and the Ultra Share Plans.

The Cooperation Agreement will terminate, *inter alia*: (i) if the Acquisition is withdrawn or lapses; (ii) if prior to the Longstop Date any Condition has been invoked by Cobham (where permitted by the Panel); (iii) at Cobham's election if the Ultra Directors withdraw their recommendation of the Acquisition or if the Ultra Directors recommend a competing proposal; (iv) if the Scheme does not become effective in accordance with its terms by the Longstop Date; or (v) otherwise as agreed between Cobham and Ultra.

15 STRUCTURE OF AND CONDITIONS TO THE ACQUISITION

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Ultra and the Scheme Shareholders, under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Cobham to become the owner of the entire issued, and to be issued, ordinary share capital of Ultra. Under the Scheme, the Acquisition will be achieved by the transfer of the Scheme Shares by the Scheme Shareholders to Cobham in consideration for which the Scheme Shareholders will receive cash on the basis described in paragraph 2 above.

The Acquisition is subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to be set out in the Scheme Document and will only become Effective if, among other things, the following events occur on or before the Longstop Date or such later date as may be agreed in writing by Cobham and Ultra (with the Panel's consent and as the Court may approve (if such approval(s) are required)):

- the approval of the Scheme being granted by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Scheme Shares voted by those Scheme Shareholders (or the relevant class or classes thereof);
- the Resolutions required to approve and implement the Scheme being duly passed by 75 per cent. or more of votes cast in person or by proxy at the General Meeting;
- certain antitrust and regulatory approvals as described in Appendix 1 (including antitrust approvals in Austria, Canada, Germany, Turkey and the US and foreign investment and regulatory approvals in Australia, Canada and the UK) being obtained;
- following the Court Meeting and the General Meeting and receipt of the required antitrust and regulatory approvals set out in Appendix 1, the Scheme being sanctioned by the Court (with or without modification, but subject to any modification being on terms acceptable to Cobham and Ultra); and
- following the sanction of the Scheme by the Court, a copy of the Scheme Court Order being delivered to the Registrar of Companies.

The Acquisition shall lapse if:

- the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of such meetings, as set out in the Scheme Document in due course (or such later date as may be agreed between Cobham and Ultra);
- the Court Sanction Hearing is not held on or before the 22nd day after the expected date of such hearing, as set out in the Scheme Document in due course (or such later date as may be agreed between Cobham and Ultra); or
- the Scheme does not become effective on or before the Longstop Date.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Ultra Shares will cease to be valid and entitlements to Ultra Shares held within the CREST system will be cancelled. In accordance with the applicable provisions of the Code, the Consideration for the transfer of the Scheme Shares to Cobham will be despatched no later than 14 days after the Effective Date.

Any Ultra Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution(s) to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any Ultra Shares issued or transferred after the Scheme Record Time (other than to Cobham and/or its nominees) to be automatically transferred to Cobham on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions

of the Articles (as amended) will avoid any person (other than Cobham and its nominees) holding Ultra Shares after the Effective Date.

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document. It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document will be published as soon as practicable and in any event within 28 days of this Announcement (or such later time as Ultra, Cobham and the Panel agree).

Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in Q1 2022.

16 SUSPENSION AND CANCELLATION OF TRADING, AND RE-REGISTRATION

It is expected that the last day of dealings in Ultra Shares on the Main Market of the London Stock Exchange will be the business day immediately prior to the Effective Date and no transfers will be registered after 6.00 pm (London time) on that date.

In addition, it is expected that the London Stock Exchange and the FCA will be requested respectively to cancel trading in Ultra Shares on the London Stock Exchange's market for listed securities and the listing of the Ultra Shares from the Official List, in each case, to take effect on or shortly after the Effective Date.

Following the Scheme becoming Effective, Cobham intends to re-register Ultra as a private limited company and for this to take effect as soon as practicable on or following the Effective Date.

17 DISCLOSURE OF INTERESTS IN ULTRA RELEVANT SECURITIES

Except for the irrevocable commitments referred to in paragraph 7, as at the date of this Announcement neither Cobham, nor any director of either of Cobham, nor, as far as Cobham is aware, any person acting in concert (within the meaning of the Code) with Cobham:

- has any interest in, or right to subscribe for, any relevant securities of Ultra; nor
- has any short position in relevant securities of Ultra, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of Ultra; nor
- has borrowed or lent any relevant securities of Ultra or entered into any financial collateral arrangements relating to relevant securities of Ultra; nor
- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Code in relation to relevant securities of Ultra.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an

‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

18 OVERSEAS SHAREHOLDERS

The availability of the Acquisition or the distribution of this Announcement to Ultra Shareholders who are not resident in the United Kingdom may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Ultra Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Ultra Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been published.

19 DOCUMENTS PUBLISHED ON A WEBSITE

Copies of the following documents will by no later than 12 noon (London time) on the business day following this Announcement, be published on Ultra’s website at www.ultra.group/gb/ and Cobham’s website at www.cobham.com until the Effective Date:

- this Announcement;
- the irrevocable undertakings referred to in paragraph 7 above;
- the financing documents referred to in paragraph 13 above;
- the Confidentiality Agreement referred to in paragraph 14 above;
- the Joint Defence Agreement referred to in paragraph 14 above;
- the Cooperation Agreement referred to in paragraph 14 above; and
- the consent letters from each of J.P. Morgan Cazenove, Numis, Credit Suisse, Rothschild & Co, Goldman Sachs and Morgan Stanley referred to in paragraph 20 below.

The contents of Ultra’s website and Cobham’s website are not incorporated into and do not form part of this Announcement.

20 GENERAL

Cobham reserves the right to elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) to implement the acquisition of the Ultra Shares by way of an Offer as an alternative to the Scheme. In such event, the Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix 1 to this Announcement. The sources of information and bases of calculations contained in this Announcement are set out in Appendix 2 of this Announcement. A summary of the irrevocable undertakings is contained in Appendix 3 to this Announcement. Certain terms used in this Announcement are defined in Appendix 4 to this Announcement.

J.P. Morgan Cazenove, Numis, Rothschild & Co, Credit Suisse, Goldman Sachs and Morgan Stanley have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

Enquiries:

Ultra **+44 (0) 78 9120 6239**

Gabriella Colley, Senior Vice President,
Investor Relations & Communications Investor.relations
@ultra-electronics.com

**J.P. Morgan Cazenove (Lead Financial
Adviser and Corporate Broker to Ultra)** **+44 (0) 20 7742 4000**

Robert Constant / James Robinson / Richard
Perelman / Chris Gallagher

**Numis (Financial Adviser and Corporate
Broker to Ultra)** **+44 (0) 20 7260 1000**

Garry Levin / Stuart Ord / George Price

**Engine MHP (Financial PR Adviser to
Ultra)** **+44 (0) 20 3128 8570**

Tim Rowntree / Pete Lambie +44 (0) 77 1003 2657
Ultra@mhpc.com

**Tulchan Communications (Financial PR
Adviser to Cobham)** **+44 (0) 20 7353 4200**

Graeme Wilson / Harry Cameron

**Rothschild & Co (Financial Adviser to
Cobham)** **+44 (0) 20 7742 4000**

Aadeesh Aggarwal / Ravi Gupta / Nick Ivey /
Sabina Pennings

Credit Suisse (Financial Adviser to Cobham)

+44 (0)20 7888 8888

Joe Hannon / Davide Sala / Ben Deary /
David Watkins

Goldman Sachs (Financial Adviser to Cobham)

+44 (0) 20 7774 1000

Mark Sorrell / Nick Harper / Bertie
Whitehead

Morgan Stanley (Financial Adviser to Cobham)

+44 (0) 20 7245 8000

Hossein Amir-Aslani / Gwen Billon / Tom
Perry

Kirkland & Ellis International LLP is acting as legal adviser to Cobham in connection with the Acquisition.

Slaughter and May is acting as legal adviser to Ultra in connection with the Acquisition.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Ultra in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely by means of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document), which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the offer document). This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

J.P. Morgan Cazenove, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting as financial adviser exclusively for Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein.

Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Ultra and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the

matters in this Announcement and will not be responsible to anyone other than Ultra for providing the protections afforded to clients of Numis, nor for providing advice in relation to the matters set out in this Announcement or any other matter or arrangement referred to herein. Neither Numis nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Numis in connection with this Announcement, any statement contained herein or otherwise.

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser for Cobham and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this Announcement, any statement contained herein, the Acquisition or otherwise.

Credit Suisse, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Cobham and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Cobham for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the content of this Announcement or any matter referred to herein. Neither Credit Suisse nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.

Goldman Sachs, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting exclusively for Cobham and no one else in connection with the matters set out in this Announcement. Goldman Sachs will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Goldman Sachs nor for providing advice in relation to any matter referred to herein.

Morgan Stanley which is authorised by the PRA and regulated by the FCA and the PRA in the UK is acting exclusively as financial adviser to Cobham and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to herein.

Overseas jurisdictions

The availability of the Acquisition to Ultra Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the UK to vote their Ultra Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at

the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

The release, publication or distribution of this Announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with English law, the UK Listing Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of the UK.

Copies of this Announcement and the formal documentation relating to the Scheme and the Acquisition will not be and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction, and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not, directly or indirectly, mail or otherwise forward, distribute or send them in or into or from any such jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to overseas shareholders will be included in the Scheme Document.

US Holders

US Holders should note that the Acquisition relates to the securities of an English company, is subject to UK disclosure requirements and practices (which are different from those of the US) and is proposed to be implemented by means of a scheme of arrangement under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act of 1934. Accordingly, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with IFRS, and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. However, if, in the future, Cobham were to exercise its right to implement the Acquisition of the Ultra Shares by way of an Offer, such Offer will be made in compliance with applicable US tender offer and securities laws and regulations.

The receipt of cash pursuant to the Acquisition by a US Holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Ultra Shareholder is urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

It may be difficult for US Holders to enforce their rights and claims arising out of the US federal securities laws, since Cobham and Ultra are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

To the extent permitted by applicable law, in accordance with normal UK market practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Cobham or its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Ultra Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Cobham and Ultra contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Cobham and Ultra about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Cobham and Ultra the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Cobham and Ultra believe that the expectations reflected in such forward-looking statements are reasonable, Cobham and Ultra can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; future market conditions; changes in general economic and business conditions; the behaviour of other market participants; the anticipated

benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Cobham and Ultra operate; weak, volatile or illiquid capital and/or credit markets; changes in tax rates, interest rates and currency value fluctuations; the degree of competition in the geographic and business areas in which Cobham and Ultra operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Cobham nor Ultra, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Cobham nor Ultra is under any obligation, and Cobham and Ultra expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates or quantified financial benefits statements

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Cobham or Ultra, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cobham or Ultra, as appropriate.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this Announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Ultra's website at www.ultra.group/gb/ and Cobham's website at www.cobham.com by no later than 12 noon (London time) on the business day following this Announcement. For the avoidance of doubt, the contents of these websites are not incorporated by reference and do not form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Ultra Shareholders, persons with information rights and participants in Ultra Share Plans may request a hard copy of this Announcement by contacting Ultra's registrars, Equiniti Group plc, either in writing to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling +44 (0)371 3842048. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 am and 5.30 pm Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Ultra Shareholders, persons with information rights and other relevant persons for the receipt of communications from Ultra may be provided to Cobham during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Person responsible

The person responsible for arranging the release of this announcement on behalf of Ultra is Louise Ruppel, General Counsel & Company Secretary.

Appendix 1 Conditions and Certain Further Terms of the Scheme and the Acquisition

Part A *Conditions to the Scheme and Acquisition*

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, on or before the Longstop Date.

Scheme approval

2. The Scheme will be conditional upon:
 - 2.1 (i) approval of the Scheme by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders (or the relevant class or classes thereof), who are, present and voting (and who are entitled to vote), either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meetings; and (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Cobham and Ultra may agree, with the consent of the Panel (and that the Court may allow, if required));
 - 2.2 (i) all Resolutions being duly passed by the requisite majority at the General Meeting or at any adjournment thereof; and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Cobham and Ultra may agree, with the consent of the Panel (and that the Court may allow, if required)); and
 - 2.3 (i) the sanction of the Scheme by the Court (without modification, or with modification on terms acceptable to Cobham and Ultra) and the delivery of the Scheme Court Order to the Registrar of Companies for registration; and (ii) the Court Sanction Hearing being held on or before the 22nd day after the expected date of the Court Sanction Hearing to be set out in the Scheme Document in due course (or such later date (if any) as Cobham and Ultra may agree, with the consent of the Panel (and that the Court may allow, if required)).

In addition, Cobham and Ultra have agreed that, subject as stated in Part B below and to the requirements of the Panel, the Acquisition will be conditional upon the following matters set out in this Part A of Appendix 1 and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such conditions (as amended if appropriate) have been satisfied or, where relevant, waived.

Antitrust and regulatory clearances

3. The Acquisition will be further conditional upon:

Antitrust

Austria

- 3.1 insofar as the Acquisition falls within the scope of the Austrian merger control regime the relevant authority having authorised conditionally or unconditionally the Acquisition, whether expressly or implicitly through the lapse of the applicable waiting period;

Canada

- 3.2 insofar as the Acquisition is subject to Part IX of the Canadian Competition Act, following notification of the Acquisition to the Canadian Competition Bureau pursuant to subsection 114(1) of the Competition Act, either:
 - 3.2.1 an advance ruling certificate has been issued by the Commissioner of Competition to Cobham pursuant to section 102 of the Competition Act; or
 - 3.2.2 both (a) the applicable waiting period under section 123 of the Competition Act has expired, has terminated, or has been waived, and (b) the Commissioner of Competition has issued a no-action letter to Cobham confirming that he does not, at this time, intend to apply to the Competition Tribunal under section 92 of the Competition Act for an order against the Acquisition;

Germany

- 3.3 insofar as the Acquisition falls within the scope of the German merger control regime, the relevant authority having authorised conditionally or unconditionally the Acquisition, whether expressly or implicitly through the lapse of the applicable waiting period;

Turkey

- 3.4 insofar as the Acquisition triggers a mandatory filing requirement under the Turkish merger control regime, either:
 - 3.4.1 the relevant authority having declined jurisdiction over the Acquisition or approved the Acquisition conditionally or unconditionally; or
 - 3.4.2 the applicable waiting period having expired;

US

- 3.5 insofar as the Acquisition satisfies the premerger notification thresholds identified in the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”):
 - 3.5.1 all filings having been made and all or any applicable waiting periods (including any extensions thereof or any time periods set forth in any

timing agreements with the United States antitrust authorities) under the HSR Act and the rules and regulations thereunder having expired, lapsed or been terminated as appropriate in each case in respect of the Acquisition, or any matters arising from the Acquisition; and

- 3.5.2 no law, injunction (whether temporary, preliminary or permanent), or legal order having been enacted, entered, promulgated or enforced by any United States antitrust authority of Competent jurisdiction which prevents, makes illegal, prohibits, restrains or enjoins the consummation of the Acquisition;

Foreign investment

Australia

- 3.6 insofar as a filing under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) (“FATA”) is considered necessary by Cobham (including after discussions with Ultra), receipt of a written notice under FATA by or on behalf of the Treasurer of the Commonwealth of Australia stating, or to the effect that, the Commonwealth Government does not object to the Acquisition, with or without imposing conditions;

Canada

- 3.7 insofar as the Acquisition falls within the scope of the Investment Canada Act, following notification of the Acquisition pursuant to the Investment Canada Act, either:
 - 3.7.1 Cobham has not received a notice under subsection 25.2(1) of the Investment Canada Act indicating that an order for the review of the investment may be made or a notice under subsection 25.3(2) of the Investment Canada Act indicating that an order for the review of the investment has been made under subsection 25.3(1) of the Investment Canada Act in relation to the Acquisition and the prescribed period within which such notice may be sent or such order may be made has elapsed; or
 - 3.7.2 if such a notice has been received or such order has been made, Cobham has subsequently received: (a) a notice under paragraph 25.2(4)(a) of the Investment Canada Act indicating that no order for the review of the Acquisition will be made; or (b) a notice under paragraph 25.3(6)(b) of the Investment Canada Act indicating that no further action will be taken in respect of the Acquisition; or (c) a copy of an order made under paragraph 25.4(1)(b) of the Investment Canada Act authorizing the Acquisition subject to written undertaking or terms and conditions;

UK

3.8 insofar as HM Government has issued a Public Interest Intervention Notice under section 42 of the UK Enterprise Act 2002 (“Enterprise Act”) or a Special Public Interest Intervention Notice under section 59 of the Enterprise Act prior to the Effective Date, HM Government: (i) revoking the relevant Intervention Notice; and/or (ii) issuing all decisions and approvals necessary to clear the Acquisition and to permit the Acquisition and any matters arising therefrom to proceed (and, to the extent relevant, all conditions or obligations contained in such decisions and approvals necessary for the Acquisition to close having been satisfied or complied with);

3.9 where:

3.9.1 the UK National Security and Investment Act 2021 (“NS&I Act”) is fully in force at the Effective Date, or (under applicable legislation or statutory instrument or order) is due to be brought fully into force on or prior to the date that is expected to be the Effective Date (as confirmed in an announcement by Ultra via a Regulatory Information Service which is made together with the announcement, or following confirmation, of the final date of the Court Sanction Hearing), and, pursuant to the NS&I Act, the Acquisition constitutes a notifiable acquisition in respect of which notice must be given to the UK Secretary of State for Business, Energy and Industrial Strategy (the “Secretary of State”) before such notifiable acquisition is completed (and the Secretary of State has not informed Cobham that the mandatory notification requirement has been waived or is otherwise not required, on a basis which provides reasonable legal certainty to Cobham that completing the Acquisition will not be unlawful or result in the Acquisition being rendered legally void or in the incurrance of criminal or civil penalties), the Acquisition is conditional upon a notification having been accepted and:

- (a) the Secretary of State confirming that no further action will be taken in relation to the Acquisition under the NS&I Act; or
- (b) if the Secretary of State issues a call-in notice under the NS&I Act in relation to the Acquisition (“Call-In Notice”): (I) Cobham receiving a final notification that no further action in relation to the Call-In Notice is to be taken under the NS&I Act; or (II) the Secretary of State making a final order in relation to the Acquisition under the NS&I Act which permits the Acquisition to be completed subject to the provisions of such final order (and, to the extent relevant, all conditions, provisions or obligations contained in such final order necessary for completion of the Acquisition having been satisfied or complied with); OR

- 3.9.2 the NS&I Act is not (under applicable legislation or statutory instrument or order) due to be brought fully into force on or prior to the date that is expected to be the Effective Date (as confirmed in an announcement by Ultra via a Regulatory Information Service which is made together with the announcement, or following confirmation, of the final date of the Court Sanction Hearing), and HM Government has not previously issued a Public Interest Intervention Notice under section 42 of the Enterprise Act or a Special Public Interest Intervention Notice under section 59 of the Enterprise Act, the Acquisition is conditional upon the Secretary of State not having expressly informed Cobham in writing (but excluding any such communication that has been withdrawn or resolved) that the Acquisition is likely to give rise to concerns such that the Secretary of State will issue a call-in notice under the NS&I Act following the NS&I Act coming fully into force.

General third party clearances

4. Excluding filings, applications, obligations, notifications, waiting and other time periods, and clearances relating to antitrust, merger control or national security or foreign investment screening (in respect of which only paragraph 3 above shall apply), all necessary filings or applications having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition by any member of the Wider Cobham Group of any shares or other securities in, or control of, any member of the Wider Ultra Group, where the direct consequence of a failure to make such a notification or filing or to wait for the expiry, lapse, or termination of any such waiting or time period would be unlawful in any relevant jurisdiction.
5. No Third Party having intervened (other than any Third Party having intervened in respect of antitrust, merger control or national security or foreign investment screening (in respect of which only paragraph 3 above shall apply)) and there not continuing to be outstanding any statute, regulation or order of any Third Party (other than any statute, regulation or order of any Third Party relating to antitrust or merger control or national security or foreign investment screening (in respect of which only paragraph 3 above shall apply)), in each case which would reasonably be expected to:
- 5.1 make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Cobham or any member of the Wider Cobham Group of any shares or other securities in, or control or management of, Ultra or any member of the Wider Ultra Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or materially delay, the same or impose additional conditions or obligations with respect to the Scheme or the Acquisition or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Acquisition or such acquisition, or require material amendment to

the terms of the Scheme or Acquisition or the acquisition or proposed acquisition of any Ultra Shares or the acquisition of control or management of Ultra or the Wider Ultra Group by Cobham or any member of the Wider Cobham Group;

- 5.2 materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Cobham Group or any member of the Wider Ultra Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Ultra Group or any member of the Wider Cobham Group;
- 5.3 require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Cobham Group of any ordinary shares or other securities in Ultra or of all or any portion of their respective businesses, assets or properties or materially limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
- 5.4 except pursuant to the implementation of the Acquisition or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Cobham Group or of the Wider Ultra Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
- 5.5 materially adversely limit the ability of any member of the Wider Cobham Group or of the Wider Ultra Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Cobham Group or of the Wider Ultra Group; or
- 5.6 except as Disclosed, otherwise materially adversely affect, any or all of the business, assets, profits, financial or trading position of any member of the Wider Ultra Group or of the Wider Cobham Group.

Certain matters arising as a result of any arrangement, agreement, etc.

- 6. Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Ultra Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject, which, in each case as a consequence of the Scheme or Acquisition or the acquisition or proposed acquisition of any ordinary shares or other securities in, or control of, Ultra or any other member of the Wider Ultra Group by any member of the Wider Cobham Group or otherwise, would be expected to result in (in any case, to an extent which would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole):
 - 6.1 any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Ultra Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability

of any member of the Wider Ultra Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;

- 6.2 other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Ultra Group;
- 6.3 any asset or interest of any member of the Wider Ultra Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Ultra Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Ultra Group otherwise than in the ordinary course of business;
- 6.4 the creation of any material liabilities (actual or contingent) by any member of the Wider Ultra Group other than trade creditors or other liabilities incurred in the ordinary course of business;
- 6.5 the rights, liabilities, obligations or interests of any member of the Wider Ultra Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder; or
- 6.6 the financial or trading position or the value of any member of the Wider Ultra Group being prejudiced or adversely affected,

and no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would or would reasonably be expected to result in any of the events or circumstances which are referred to in paragraphs 6.1 to 6.6 of this paragraph 6 occurring, in any case to an extent which would reasonably be expected to be material and adverse in the context of the Ultra Group taken as a whole.

Certain events occurring since 31 December 2020

- 7. Except as Disclosed, no member of the Wider Ultra Group having since 31 December 2020:
 - 7.1 issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into, or exercisable or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, in each case other than as between Ultra and wholly-owned subsidiaries of Ultra and/or on the exercise of options or vesting of awards granted in the ordinary course under the Ultra Share Plans;

- 7.2 purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its ordinary share capital in each case to an extent which is material and adverse in the context of the Wider Ultra Group taken as a whole;
- 7.3 recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue, other than: (i) to Ultra or a wholly-owned subsidiary of Ultra; (ii) the final dividend for the year ended 31 December 2020 of 41.5 pence per Ultra Share; and (iii) the Interim Dividend;
- 7.4 other than pursuant to the Acquisition (and except for transactions between Ultra and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Ultra and transactions in the ordinary course of business) implemented, effected, authorised or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material and adverse in the context of the Wider Ultra Group taken as a whole or in the context of the Acquisition;
- 7.5 save for intra-Ultra Group transactions, made or authorised any change in its loan capital other than in connection with ordinary course financing arrangements in any case to an extent which is material and adverse in the context of the Ultra Group taken as a whole;
- 7.6 save for intra-Ultra Group transactions and other than in the ordinary course of business, entered into, implemented or authorised the entry into of, any joint venture, asset or profit sharing arrangement, partnership or merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same (in each case, to an extent which is material and adverse in the context of the Wider Ultra Group taken as a whole);
- 7.7 save in the ordinary course of business, issued or authorised the issue of, or made any change in or to, any debentures or (save for intra-Ultra Group transactions) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material and adverse in the context of the Wider Ultra Group taken as a whole;
- 7.8 entered into, varied or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
 - 7.8.1 is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude (save in the ordinary course of business); or

7.8.2 is likely to materially restrict the business of any member of the Wider Ultra Group other than to a nature and extent which is normal in the context of the business concerned,

and, in either case, which is or would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole;

7.9 (other than in respect of a member which is dormant or which is solvent at the relevant time) taken any corporate action or had any legal proceedings instituted or threatened against it or petition presented or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which in any case is material in the context of the Wider Ultra Group taken as a whole;

7.10 been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business to an extent which is material in the context of the Wider Ultra Group taken as a whole;

7.11 other than in respect of claims between Ultra and wholly-owned subsidiaries of Ultra, waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Ultra Group taken as a whole;

7.12 made any alteration to its memorandum or articles of association (in each case, other than in connection with the Scheme) which is adverse to the interests of Cobham in the context of the Acquisition;

7.13 (except in relation to changes made or agreed as a result of, or arising from, applicable law or changes to applicable law) made or agreed or consented to:

7.13.1 any material change to:

- (a) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependents; or
- (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
- (c) the basis on which qualification for, or accrual or entitlement to such benefits or pensions are calculated or determined; or
- (d) the basis upon which the liabilities (including pensions) or such pension schemes are funded, valued or made; or

7.13.2 any non-ordinary course change to the trustees including the appointment of a trust corporation,

in each case, which would reasonably be expected to have a material adverse effect on the financial position of the Wider Ultra Group taken as a whole;

7.14 entered into or materially varied the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, agreement, commitment, transaction or arrangement with any director or Person Discharging Managerial Responsibility which is material and adverse in the context of the Acquisition or which would reasonably be expected to have a material adverse effect on the financial position of the Wider Ultra Group;

7.15 save in respect of any replacement plan proposed to Ultra Shareholders at the 2021 annual general meeting, proposed, agreed to provide or materially modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Ultra Group in each case which is material and adverse in the context of the Wider Ultra Group taken as a whole; and

7.16 on or after the date of this Announcement, and other than with the consent of Cobham and (if required) the Panel, taken any action which requires or would require the approval of Ultra Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code.

No adverse change, litigation or regulatory enquiry

8. Except as Disclosed, since 31 December 2020:

8.1 there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Ultra Group which in any case is material and adverse in the context of the Wider Ultra Group taken as a whole;

8.2 no contingent or other liability of any member of the Wider Ultra Group having arisen or become apparent or increased other than in the ordinary course of business which in any case is or would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole;

8.3 (other than as a result of or in connection with the Acquisition), no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Ultra Group is or may become a party (whether as plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Ultra Group having been threatened in writing, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Ultra Group which in any such case is or would reasonably be expected to be material and adverse in the context of the Wider Ultra Group taken as a whole;

- 8.4 no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Ultra Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider Ultra Group taken as a whole; and
- 8.5 no member of the Wider Ultra Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Ultra Group taken as a whole.

No discovery of certain matters

- 9. Except as Disclosed, since 31 December 2020, Cobham not having discovered:
 - 9.1 that any financial or business or other information concerning the Wider Ultra Group disclosed at any time by or on behalf of any member of the Wider Ultra Group, whether publicly, to any member of the Wider Cobham Group or to any of their advisers or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading and which was not subsequently corrected prior to the date of this Announcement by disclosure either publicly or otherwise to Cobham, in each case to an extent which is material in the context of the Wider Ultra Group taken as a whole;
 - 9.2 that any member of the Wider Ultra Group is subject to any liability (actual or contingent) which is material in the context of the Wider Ultra Group taken as a whole;
 - 9.3 any past or present member of the Wider Ultra Group has not complied in all material respects with all applicable legislation or regulations of any jurisdiction relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place), which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) or cost on the part of any member of the Wider Ultra Group, which in any case is material in the context of the Wider Ultra Group as a whole; or
 - 9.4 there is any material liability (actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Ultra Group under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government,

supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction, which in any case is material in the context of the Wider Ultra Group taken as a whole.

Anti-corruption, sanctions and criminal property

10. Except as Disclosed, Cobham not having discovered that:

10.1 any:

10.1.1 past or present member, director, officer or employee of the Wider Ultra Group has at any time engaged in an activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Practices Act of 1977 or any other applicable anti-corruption legislation; or

10.1.2 person that performs or has performed services on behalf of the Wider Ultra Group has at any time, in connection with the performance of such services, engaged in an activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Practices Act of 1977 or any other applicable anti-corruption legislation;

10.2 to an extent which is or would reasonably be expected to be material in the context of the Wider Ultra Group taken as a whole, any asset of any member of the Wider Ultra Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);

10.3 any past or present member, director, officer or employee of the Wider Ultra Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, or made any payments or assets available to or received any funds or asset from:

10.3.1 any government, entity or individual with which US or European Union persons (or persons operating in those territories) are prohibited from engaging in activities, doing business or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or

10.3.2 any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states,

which, in each case, would cause any member of the Ultra Group to be in breach of any economic sanctions laws applicable to the Ultra Group; or

- 10.4 a member of the Ultra Group has engaged in a transaction which would cause the Ultra Group to be in breach of any law or regulation prior to completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states.
11. For the purpose of these Conditions:
- 11.1 “Third Party” means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, authority, court, trade agency, association, institution or professional or environmental body in any relevant jurisdiction, including, for the avoidance of doubt, the Panel; and
- 11.2 a Third Party shall be regarded as having “intervened” if it has given notice to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and “intervene” shall be construed accordingly.

Part B
Further terms of the Scheme and the Acquisition

1. Conditions 2.1(i), 2.2(i) and 3 to 10 (inclusive) must be fulfilled, be determined by Cobham to be or remain satisfied, or (if capable of waiver) be waived prior to the commencement of the Court Sanction Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above, subject to paragraph 4 below and subject to the requirements of the Panel, Cobham reserves the right in its sole discretion to waive all or any of the Conditions, in whole or in part and to proceed with the Court Sanction Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions, except that Conditions 1, 2.1(i), 2.2(i) and 2.3(i) cannot be waived. If any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Cobham shall make an announcement by 8.00 a.m. on the business day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Ultra to extend the relevant deadline.
3. Cobham shall be under no obligation under the terms and Conditions of the Acquisition to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of Conditions 3 to 10 (inclusive) that Cobham is entitled (with the consent of the Panel and subject to the requirements of the Code) to invoke, by a date earlier than the latest date specified in paragraph 1 above, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
4. Cobham reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such event, such Offer will be implemented on the same terms and conditions so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation and for so long as the Cooperation Agreement is continuing) an acceptance condition set at 75 per cent. of the Ultra Shares (or such other percentage as Cobham and Ultra may agree in accordance with the terms of the Cooperation Agreement, where applicable with the consent of the Panel, being in any case more than 50 per cent. of the Ultra Shares)). In the event that the Acquisition is implemented by way of an Offer, the acceptance condition shall not be capable of being satisfied until all of the other conditions to the Offer have either been satisfied or (if capable of waiver) waived.
5. Under Rule 13.5(a) of the Code and subject to paragraph 6, Cobham may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Cobham in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.

6. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by Cobham.
7. Conditions 1, 2.1(i), 2.2(i) and 2.3(i) (and, if applicable, any Offer acceptance condition adopted on the basis specified in paragraph 4 above if the Acquisition is implemented as an Offer), are not subject to this provision of the Code.
8. If the Panel requires Cobham to make an offer or offers for Ultra Shares under the provisions of Rule 9 of the Code, Cobham may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
9. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the UK Listing Rules and the provisions of the Code.
10. Ultra Shares will be acquired by Cobham fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the Acquisition becomes Effective (other than the Interim Dividend).
11. Cobham has agreed that Ultra Shareholders will be entitled to receive the Interim Dividend without any consequential reduction in the Consideration payable in respect of each Ultra Share under the Acquisition. Other than the Interim Dividend, if any dividend, distribution and/or other return of value is declared, made or paid in respect of the Ultra Shares on or after the date of this Announcement and before the Effective Date, Cobham reserves the right (without prejudice to any right of Cobham, with the consent of the Panel, to invoke the Condition set out in paragraph 7.3 of Part A of this Schedule 1) to reduce the Consideration payable under the terms of the Acquisition for the Ultra Shares by the amount of all or part of any such dividend, distribution and/or other return of value, in which case any reference in this Announcement to the Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Consideration as so reduced. In such circumstances, Ultra Shareholders would be entitled to retain any such dividend, distribution and/or return of value. Any exercise by Cobham of its rights referred to in this paragraph 11 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
12. The Scheme will be governed by English law and be subject to the jurisdiction of the Court, to the Conditions set out above and full terms to be set out in the Scheme Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the UK Listing Rules.
13. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Appendix 2

Sources and bases

In this Announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

- 1) Ultra's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 73,232,643 Ultra Shares, calculated as:
 - a) 71,248,765 Ultra Shares in issue as at 13 August 2021 (being the latest practicable date before this Announcement); plus
 - b) 2,025,012 Ultra Shares which may be issued on or after the date of this Announcement pursuant to the Ultra Share Plans as at 13 August 2021 (being the latest practicable date before this Announcement); less
 - c) 41,134 Ultra Shares as at 13 August 2021 (being the latest practicable date before this Announcement) held by the Ultra Employee Benefit Trust that can be used to satisfy the exercise of options and vesting of awards granted under the Ultra Share Plans.
- 2) A value of approximately £2.57 billion for the entire issued and to be issued share capital of Ultra is based on:
 - a) an offer price of £35.00 per share, plus 16.2 pence per Ultra Share in respect of the Interim Dividend announced by Ultra on 19 July 2021, and to be paid on 17 September 2021 to shareholders on the register at 27 August 2021; and
 - b) Ultra's fully diluted issued ordinary share capital of 73,232,643 Ultra Shares, as set out in paragraph 1 above.
- 3) The premium calculations to the price per Ultra Share used in this Announcement have been calculated based on an offer price of £35.00 per share, plus 16.2 pence per Ultra Share in respect of the Interim Dividend, and by reference to:
 - a) the Closing Price on 24 June 2021 (being the last business day before the commencement of the Offer Period) of 2,156 pence derived from Bloomberg;
 - b) the three-month volume weighted average Closing Price of 2,083 pence per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg;
 - c) the six-month volume weighted average Closing Price of 2,041 pence per Ultra Share on 24 June 2021 (being the last business day before the commencement of the Offer Period) derived from Bloomberg; and
 - d) the all-time highest Closing Price of an Ultra Share prior to the commencement of the Offer Period of 2,490 pence.
- 4) The IFRS enterprise value multiple of 17.7x 2020 EBITDA is based on an enterprise value for Ultra of £2.67 billion, comprising: (a) £2.57 billion fully diluted equity value (as set

out in paragraph 2 above); (b) £64.7 million of net financial debt, including £35.6 million of lease liability as reported at 2 July 2021; (c) £31.1 million of net pension liability as reported at 2 July 2021; (d) £1.2 million dividend-equivalent awards related to options and awards granted since 2018; and (e) the 2020 post-IFRS 16 EBITDA of £151.0 million (as reported at 31 December 2020).

- 5) Unless otherwise stated, the financial information of Ultra is extracted (without material adjustment) from the annual report and audited accounts of the Ultra Group for the 12 months ended 31 December 2020.
- 6) Certain figures included in this Announcement have been subject to rounding adjustments.

Appendix 3 Details of Irrevocable Undertakings

Ultra Director undertakings

The following Ultra Directors, who hold Ultra Shares, have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in relation to the following Ultra Shares:

Name	Number of Ultra Shares	Percentage of Ultra Shares in issue on 13 August 2021 (being the latest practicable date before the date of this Announcement)
Tony Rice	20,000	0.03
Simon Pryce	27,069*	0.04
Jos Sclater	1,308	<0.01
Victoria Hull	1,684	<0.01
Ken Hunzeker	2,000	<0.01
Daniel Shook	2,500	<0.01
Total	54,561	0.08

* Includes 20,200 Ultra Shares which are held by STM FIDECS Pension Trustees Limited (managed by Canaccord Genuity Wealth Limited), in respect of which Mr Pryce has undertaken to issue instructions to direct that the voting rights attaching to them be exercised in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting.

The undertakings from the Ultra Directors, will cease to be binding only if: (i) the Panel consents to Cobham not proceeding with the Acquisition; (ii) the Scheme Document is not dispatched to Ultra Shareholders within 28 days (or such longer period as may be agreed between Ultra and the Panel) of this Announcement; (iii) the Scheme lapses or is withdrawn in accordance with its terms, or the Scheme does not become effective on or before the Longstop Date (other than in circumstances where Cobham has, prior to such date, elected (in accordance with the Cooperation Agreement) to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Code, and such Offer has not lapsed or been withdrawn); (iv) any competing offer for the entire issued and to be issued share capital of Ultra becomes or is declared wholly unconditional or, if proceeding by way of scheme of arrangement, becomes effective; (v) Cobham announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised, or replacement Scheme or Offer is announced by Cobham in accordance with Rule 2.7 of the Code at the same time; or (vi) the Scheme lapses or is withdrawn in accordance with its terms and Cobham publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of an Offer.

Appendix 4 Definitions

The following definitions apply throughout this Announcement unless the context requires otherwise:

“Acquisition” means the acquisition of the entire issued, and to be issued, ordinary share capital of Ultra by Cobham (other than Ultra Shares already held by Cobham, if any) to be implemented by way of the Scheme or, should Cobham so elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) by way of the Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;

“Advent” means AIC and funds managed and/or advised by AIC;

“AIC” means Advent International Corporation;

“Announcement” means this announcement made pursuant to Rule 2.7 of the Code;

“Articles” means the articles of association of Ultra from time to time;

“business day” means any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business;

“Closing Price” means the closing middle market price of an Ultra Share as derived from the Daily Official List on any particular date;

“Cobham” means Cobham Ultra Acquisitions Limited, a wholly-owned indirect subsidiary of Cobham Group Holdings;

“Cobham AES” means Cobham AES Holdings Inc. and its subsidiary undertakings and where the context permits, each of them;

“Cobham Group” means Cobham Group Holdings and its subsidiary undertakings (including Cobham) and where the context permits, each of them;

“Cobham Group Holdings” means Cobham Group Holdings Limited, a company controlled by Advent;

“Code” means the City Code on Takeovers and Mergers, as amended from time to time;

“Companies Act” means the UK Companies Act 2006, as amended from time to time;

“Conditions” means the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document;

“Confidentiality Agreement” means the confidentiality agreement entered into between AIC, Cobham Limited and Ultra dated 19 July 2021, a summary of which is set out in paragraph 14 of this Announcement;

“Consideration” means the consideration payable to Ultra Shareholders pursuant to the Acquisition, comprising £35.00 in cash per Ultra Share;

“Cooperation Agreement” means the agreement entered into between Cobham, Cobham Group Holdings, AIC and Ultra dated 16 August 2021, a summary of which is set out in paragraph 14 of this Announcement;

“Court” means the High Court of Justice in England and Wales;

“Court Meeting” means the meeting or meetings of Scheme Shareholders (or of any class or classes thereof) which are in issue at the Scheme Voting Record Time to be convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, to approve the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof;

“Court Sanction Hearing” means the hearing of the Court to sanction the Scheme under Part 26 of the Companies Act and any adjournment, postponement or reconvening thereof;

“Credit Suisse” means Credit Suisse International;

“CREST” means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018)), in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;

“Daily Official List” means the daily official list of the London Stock Exchange;

“Dealing Disclosure” means an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;

“Disclosed” means:

- (a) information disclosed by, or on behalf of, Ultra:
 - (i) in Ultra’s annual report and accounts for the years ended 31 December 2020 and 31 December 2019 or in its half year report for the six months ended 2 July 2021; or
 - (ii) in this Announcement; or
- (b) fairly disclosed prior to the date of this Announcement by or on behalf of Ultra to Cobham or Advent (or their respective officers, employees, agents or advisers in their capacity as such), including via the virtual data room operated by or on behalf of Ultra in respect of the Acquisition; or
- (c) as otherwise publicly announced by Ultra prior to the date of this Announcement (by the delivery of an announcement to a Regulatory Information Service);

“Effective” means:

- (a) if the Acquisition is implemented by way of the Scheme, means the Scheme having become effective in accordance with its terms; or
- (b) if the Acquisition is implemented by way of an Offer (subject to the consent of the Panel and to the terms of the Cooperation Agreement), means the date on which the Offer becomes unconditional in accordance with the requirements of the Code;

“Effective Date” means the date upon which the Acquisition becomes Effective;

“Excluded Shares” means any Ultra Shares: (a) registered in the name of or beneficially owned by (i) any member of the Cobham Group, (ii) AIC and funds managed by AIC or any of their respective subsidiary undertakings, or (iii) any nominee of the foregoing; and (b) held in treasury by Ultra, in each case, immediately prior to the Scheme Record Time;

“FCA” means the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of FSMA;

“Forms of Proxy” means the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document;

“FSMA” means the Financial Services and Markets Act 2000;

“General Meeting” means the general meeting of Ultra Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Resolutions (with or without amendment), including any adjournment, postponement or reconvening thereof;

“Goldman Sachs” means Goldman Sachs International;

“HM Government” means the government of the United Kingdom of Great Britain and Northern Ireland;

“IFRS” means International Financial Reporting Standards;

“Interim Dividend” means the interim cash dividend announced by Ultra on 19 July 2021 of 16.2 pence per Ultra Share;

“Interim Facilities Agreements” means the Interim Senior Facilities Agreement and the Interim PIK Facility Agreement;

“Interim PIK Facility Agreement” means the interim facility agreement dated 16 August 2021 between, among others, Cobham Ultra PIKCo S.à r.l. as the company and HSBC Corporate Trustee Company (UK) Limited as interim facility agent incorporating an interim term loan facility in an aggregate principal amount equal to £315 million;

“Interim Senior Facilities Agreement” means the interim facilities agreement dated 16 August 2021 between, among others, Cobham Ultra SeniorCo S.à r.l. as the company and Credit Suisse AG, Cayman Islands Branch as interim facility agent incorporating: (i) interim term loan facilities in an aggregate principal amount equal to £1,355 million; and (ii) an interim multi-currency revolving facility in an aggregate amount equal to £190 million;

“Joint Defence Agreement” means the joint defence agreement between AIC, Cobham Limited, Ultra and their respective legal counsels dated 30 July 2021, a summary of which is set out in paragraph 14 of this Announcement;

“J.P. Morgan Cazenove” means J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove), as Lead Financial Adviser to Ultra;

“London Stock Exchange” means London Stock Exchange plc, together with any successor thereto;

“Longstop Date” means 5 August 2022 or such later date as may be agreed by Ultra and Cobham in writing (with the Panel’s consent and as the Court may approve (if such consent and/or approval is/are required));

“Memorandum of Understanding” means the legally binding memorandum of understanding dated 13 August 2021 entered into between Cobham and the Trustee in relation to the future funding of the Ultra UK DB Pension Scheme;

“Morgan Stanley” means Morgan Stanley & Co. International plc;

“Numis” means Numis Securities Limited, Financial Adviser and Corporate Broker to Ultra;

“Offer” means if (subject to the consent of the Panel and the terms of the Cooperation Agreement) Cobham elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of Cobham to acquire the issued and to be issued ordinary share capital of Ultra on the terms and subject to the conditions set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer);

“Offer Period” means the offer period (as defined by the Code) relating to Ultra which commenced on 25 June 2021;

“Official List” means the Official List maintained by the FCA pursuant to Part 6 of FSMA;

“Panel” means the Panel on Takeovers and Mergers;

“PRA” means the Prudential Regulation Authority;

“Registrar of Companies” means the Registrar of Companies in England and Wales;

“Regulatory Information Service” means any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

“Resolutions” means the resolution(s) to be proposed at the General Meeting necessary to approve and implement the Scheme, including, amongst other things, a resolution to amend the Articles by the adoption and inclusion of a new article under which any Ultra Shares issued or transferred after the Scheme Record Time (other than to Cobham and/or its nominees) shall be automatically transferred to Cobham (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Ultra Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities);

“Restricted Jurisdictions” means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Ultra Shareholders in that jurisdiction;

“Rothschild & Co” means N.M. Rothschild & Sons Limited;

“Scheme” means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Ultra and the Scheme Shareholders, the terms of which are to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Ultra and Cobham;

“Scheme Court Order” means the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;

“Scheme Document” means the document to be sent to (among others) Ultra Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme, the explanatory statement required by Section 897 of the Companies Act and containing the notices convening the Court Meeting and General Meeting;

“Scheme Record Time” means the time and date specified in the Scheme Document, expected to be 6.00 pm on the business day immediately prior to the Effective Date (or such other date and time as Ultra and Cobham may agree);

“Scheme Shareholders” means registered holders of Scheme Shares;

“Scheme Shares” means:

- (a) the Ultra Shares in issue as at the date of the Scheme Document;
- (b) any Ultra Shares issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and
- (c) any Ultra Shares issued on or after the Scheme Voting Record Time but before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

in each case, and where the context requires, which remain in issue at the Scheme Record Time but excluding the Excluded Shares;

“Scheme Voting Record Time” means the time and date specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined;

“Substantial Interest” means a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking;

“Trustee” means Trustee Company Limited, the trustee of the Ultra UK DB Pension Scheme;

“UK Listing Rules” means the rules and regulations made by the FCA under FSMA, and contained in the publication of the same name;

“Ultra” means Ultra Electronics Holdings plc;

“Ultra Board” means the Ultra Directors;

“Ultra Directors” means the directors of Ultra as at the date of this Announcement, or where the context requires, from time to time;

“Ultra Group” means Ultra and its subsidiary undertakings;

“Ultra Share Plans” means each of the Ultra Electronics Company Share Option Plan 2007, the Ultra Electronics Executive Share Options Scheme 2007, the Ultra Long-Term Incentive Plan 2017, the Ultra Electronics Share Incentive Plan, the Ultra Electronics Savings Related Share Option Scheme 2007 and the Ultra Electronics International Savings Related Share Option Scheme 2007;

“Ultra Shareholders” means the registered holders of Ultra Shares from time to time;

“Ultra Shares” means the ordinary shares of 5 pence each in the capital of Ultra but excluding any such shares held or which become held in treasury;

“Ultra UK DB Pension Scheme” means the pension scheme known as the Ultra Electronics Pension Scheme operated under a definitive trust deed and rules dated 29 July 2021;

“United States of America”, “United States” or “US” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“US Exchange Act” means the United States Securities Exchange Act of 1934 (as amended), and the rules and regulations promulgated thereunder;

“US Holders” means holders of Ultra Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Ultra Shares for persons in the US or with a registered address in the US;

“Wider Cobham Group” means each member of the Cobham Group and their subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which any member of the Cobham Group and/or such undertakings (aggregating their interests) have a Substantial Interest; and

“Wider Ultra Group” means each member of the Ultra Group and their subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which any member of the Ultra Group and/or such undertakings (aggregating their interests) have a Substantial Interest.

For the purposes of this Announcement, “subsidiary”, “subsidiary undertaking”, “undertaking”, “associated undertaking” and “equity share capital” have the meanings given by the UK Companies Act 2006.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Announcement.

All references to time in this Announcement are to London time unless otherwise stated.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.