



John Menzies plc
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United Kingdom

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This document is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice from your broker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

(Incorporated in Scotland with registered number SC034970)

Registered office:

2 Lochside Avenue, Edinburgh Park, Edinburgh, Scotland, EH12 9DJ

Directors:

John Geddes	Paul Baines	Drusilla Maizey	Henrik Lund
Philipp Joeinig	Alvaro Gomez-Reino	David Garman	Christian Kappelhoff-Wulff

14 February 2022

To employee representatives, employees and pension scheme trustees

Dear employees/trustees,

Possible offer for John Menzies plc ("Company") by National Aviation Services Holding for Company's Business Management (Holdco) S.P.C. ("NAS")

As you may be aware, on 9 February 2022, the Company announced that it had received an approach from NAS regarding a possible offer for the Company. The full text of the announcement is enclosed with this letter, as required under Rule 2.11 of the City Code on Takeovers and Mergers ("**Code**").

NAS is an aviation services provider with a presence in the Middle East, Africa and South East Asia. This proposal has been firmly rejected. The proposal is significantly below what we believe is the true value of Menzies and is opportunistic. We are very proud of our heritage and our independence. If you are contacted by media, please don't respond. Direct journalists to our Head of Communications, Bronwyn Torrie. For everyone it is business as usual and we will continue to focus on our exciting growth plans.

Although the announcement has put the Company into what is known as an "offer period" under the Code, there can be no certainty that NAS will proceed to make an offer for the Company.

Company employees and the trustees of the Company's pension schemes should be aware of the right of employee representatives and pension scheme trustees under Rule 25.9 of the Code to have a separate opinion appended to any circular that may be published by the Company in accordance with

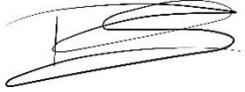
People. Passion. Pride. Since 1833.

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Rule 25.1 of the Code. The Company will also be responsible for the costs reasonably incurred by the employee representatives in obtaining the advice required for the verification of the information contained in their opinion.

A copy of this letter, including the full text of the announcement made by the Company and all other information, documents and announcements relating to the offer process will remain available during the course of the offer period on the Company's website at www.menziesaviation.com.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Joeinig', with a stylized flourish at the end.

Philipp Joeinig
Chairman & CEO



9 February 2022

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

THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU NO. 596/2014) AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018

FOR IMMEDIATE RELEASE

John Menzies plc ("Menzies" or the "Group")

Rejection of Unsolicited and Highly Opportunistic Approach

Significant Future Value Creation Potential for Menzies Shareholders

The Board of John Menzies (the "Board") announces that it has received a preliminary and unsolicited proposal from National Aviation Services Holding for Company's Business Management (Holdco) S.P.C. ("NAS"), a subsidiary of Agility Public Warehousing Co. K.S.C. ("Agility"), to acquire the entire and to be issued share capital of Menzies at a price of 510 pence per Menzies share in cash (the "Proposal").

The Proposal follows an earlier unsolicited approach from NAS to the Board regarding a possible all cash offer at 460 pence per Menzies share.

The Board has carefully considered the Proposal together with its financial advisers, Goldman Sachs International, and has unanimously rejected it, having concluded that the Proposal is entirely opportunistic, conditional and that the terms fundamentally undervalue Menzies and its future prospects.

The Board is committed to continuing the execution of its strategy and believes that:

- The Proposal is highly opportunistic and comes at a time when the full impact of management actions is not yet reflected in Menzies valuation and underlying volumes have yet to return to pre-pandemic levels;
- Since 2019 the business has been re-shaped with £25 million of permanent cost removed, a clear and deliverable strategy implemented and a refocussed commercial approach that has generated £120 million of net new annualised revenue. The Proposal does not reflect the benefit of these actions;
- The Proposal fails to reflect Menzies strong growth prospects and attractive industry outlook. Menzies is well positioned as a global player in a market with proven structural growth and will benefit from the continued recovery in flight and freight volumes;
- We have a clear strategy with tangible evidence of delivery. We will continue to deliver against our five strategic priorities – focussing on air cargo services, new fuelling operations and high quality ground handling with new operations being targeted in emerging markets where margins are typically higher;
- Our pipeline of opportunities is full. In 2022 we have clear and attainable commercial opportunities that we believe will generate approximately £80 million of net new annualised revenue and several business development opportunities that will deliver approximately £150-200 million of new revenue over the short to medium term – all of which are expected to be at higher margins;
- The Proposal implies a significantly lower (pre-IFRS16) EV/EBITDA multiple than achieved in comparable transactions over the last decade in our sector for other assets of our size and standing; and
- The Proposal fails to account for our highly experienced management team, who are all invested in the business and bring a proven track record.

Following a challenging period as Menzies navigated the impact of the pandemic, the Board believes that Menzies is now well positioned for the significant opportunities ahead as the aviation industry continues to recover, the Group benefits from the decisive management actions taken over the last two years, and Menzies



is able to capitalise on a broad range of commercial, investment and growth opportunities that will be available to the Group.

Menzies has now been rebuilt for the future and the Board expects to deliver strong revenue growth in the short and medium term generating significant value creation on a standalone basis. The Proposal is opportunistic and does not fully provide shareholders with the full value potential available in Menzies.

Philipp Joeinig, Chairman and CEO of John Menzies plc, said:

“The Board of Menzies has unanimously rejected this unsolicited and highly opportunistic Proposal, which we believe does not reflect Menzies’ true intrinsic business worth or its prospects.

Menzies continues to make good progress with strong performance across a number of service lines, which together with productivity gains, saw the Group to finish last year strongly. This strong performance and momentum in 2021 has continued in 2022 with further contract wins and renewals alongside the continued recovery of global flight volumes.

The Board remains fully confident in the recovery and outlook for the global aviation services industry as it returns to pre-pandemic trading levels and benefits from long term structural growth drivers. The Board believes the strong portfolio mix, positioning of Menzies and the ongoing execution of Menzies’ strategy will create significant value for shareholders in the near and medium term.”

Menzies will announce its results for the financial year ended 31 December 2021 on 8 March 2022.

There can be no certainty that any firm offer for Menzies will be made nor as to the terms on which any firm offer may be made. A further announcement will be made in due course. A presentation for analysts and investors will be made available on Menzies’ website at www.johnmenziesplc.com. Shareholders are urged to take no action at this time.

This statement is being made by Menzies without the prior agreement or approval of NAS.

In accordance with Rule 2.6(a) of the Code, NAS is required, by not later than 5.00 p.m. on 9 March 2022, either to announce a firm intention to make an offer for Menzies in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

The attention of shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below.

The person responsible for arranging for the release of this announcement on behalf of Menzies is John Geddes, Menzies’ Corporate Affairs Director & Company Secretary.

Enquiries

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About Menzies

Menzies Aviation is an international aviation services provider of time critical ground services, fuel services and air cargo services. Menzies Aviation operates at more than 200 airports in 37 countries, supported by a global team of 25,000 highly trained people.

In 2020 Menzies Aviation handled 0.5 million aircraft turns, 1.2 million tonnes of cargo and fuelled 1.9 million turnarounds. Customers include Air Canada, Air China, Air France-KLM, American Airlines, Cathay Pacific, easyJet, Frontier Airlines, IAG, Qantas Group, Qatar Airways, Southwest, United Airlines, WestJet and Wizz Air. Best in class safety and security is the number one priority each day and every day.

Menzies plc, one of Scotland's oldest and largest companies, was established in 1833 as a book seller on Edinburgh's Princes Street and is still headquartered in the city. Today the company is an international aviation services business with operations worldwide.

Overseas Jurisdictions

The release, distribution or publication of this announcement in jurisdictions other than the United Kingdom may be restricted by the laws of the relevant jurisdictions and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. The information disclosed in this announcement 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 the United Kingdom. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Publication on a website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at Menzies' website (www.Menziesaviation.com) by no later than 12 noon (London time) on 10 February 2022. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9

In accordance with Rule 2.9 of the Code, Menzies confirms that as at the date of this announcement it has in issue 91,902,235 ordinary shares of 25p each (excluding shares held in treasury) and 1,394,587 nine per cent. cumulative preference shares of £1.00 each. The International Securities Identification Number (ISIN) for (i) the ordinary shares of Menzies is GB0005790059 and (ii) for the nine per cent. cumulative preference shares of Menzies is GB0005790273.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Menzies and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Menzies for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in connection with the matters referred to in this announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Securities Exchange Act of 1934, Barclays and its affiliates will continue to act as exempt principal trader in Menzies securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Dealing Disclosure Requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% 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 1% 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, 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 Takeover 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.



APPENDIX I

SOURCES OF INFORMATION AND BASES OF CALCULATION

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1. Permanent cost removed of £25 million identified by the Company and calculated from Company internal reporting and sources. Updated position of permanent cost removed of £20 million which was announced on 9 March 2021.
 2. Net new annualised revenue of £120 million identified by the Company and calculated from Company internal reporting and sources as c.£40 million net revenue wins in 2020 and c.£80m net revenue wins in 2021.
 3. 2022 targets expected to deliver approximately £80 million of net new annualised revenue identified by the Company and calculated from Company internal reporting and sources.
 4. Business development opportunities expected to deliver approximately £150-200 million of new revenue identified by the Company and calculated from Company internal reporting and sources based on total expected revenue for live projects at the end of the three-year period 2022 to 2025.
 5. EV/EBITDA multiple implied by the Proposal and EV/EBITDA multiples achieved in comparable transactions over the last decade are detailed in the presentation for analysts and investors dated 9 February 2022 which is available at www.johnmenziesplc.com.



Availability of hard copies

If you received this letter and the attached announcement in electronic form you may request a hard copy of the documents by contacting Juliet Thomson at juliet.thomson@menziesaviation.com on 0131 225 8555, or by submitting a request in writing addressed to Juliet Thomson at 2 Lochside Avenue, Edinburgh Park, Edinburgh, Scotland, EH12 9DJ, United Kingdom. It is important that you note that unless you make such a request, a hard copy of the documents will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to any offer or the formal sale process should be in hard copy form.

Directors' responsibility statement

The Directors of the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. This is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the possible offer or otherwise.

Provision of addresses, electronic addresses and other details

Please note that addresses, electronic addresses and certain other information provided by the shareholders of the Company, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to the offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

