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THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"). ACCORDINGLY, THERE CAN BE NO CERTAINTY THAT ANY SUCH OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

For Immediate Release

ULTRA

23 July 2021

Ultra Electronics Holdings plc
(“Ultra”)

**Statement regarding a possible cash offer of £35.00 per share
and extension of PUSU deadline to 20 August 2021**

The Board of Ultra (the “Board”) confirms that on 21 July 2021 it received a non-binding proposal of £35.00 per share in cash for the total issued and to be issued share capital of Ultra from Cobham Limited (“Cobham”) (the “Proposal”).

Ultra shareholders would also be entitled to the interim dividend of 16.2 pence per share which was announced by Ultra on 19 July 2021, and will be paid on 17 September 2021 to shareholders on the register at 27 August 2021 (the “Interim Dividend”).

The Proposal, which follows a number of earlier proposals from Cobham (the first of which was made on 29 June 2021 at a price of £28.00 per share in cash), together with the Interim Dividend, is equivalent to a value of approximately £2.58 billion for the entire issued and to be issued share capital of Ultra, and represents an aggregate of £35.16 per share in cash and an aggregate premium of approximately:

- 63.1% to the Ultra share price of £21.56 as at close of business on 24 June 2021, being the day immediately prior to the start of the offer period; and
- 42.4% to the Ultra share price of £24.70 as at close of business on 22 July 2021, being the day immediately prior to the date of this announcement.

Having considered the Proposal, the Board has indicated to Cobham that it is at a value the Board would be minded to recommend to Ultra shareholders, subject to consideration and satisfactory resolution of other terms and arrangements, including the establishment of safeguards for the interests of Ultra’s stakeholder groups. In relation to this, Cobham has indicated to the Board that it is minded to offer the UK government appropriate undertakings in respect of national security.

Accordingly, the Board will engage in discussions with Cobham to explore the Proposal in further detail.

To enable this, with the consent of the Panel on Takeovers and Mergers (the “Takeover Panel”), the Board has agreed to an extension of the relevant ‘put up or shut up’ deadline under Rule 2.6(c) of the Code until 5.00 p.m. (London time) on 20 August 2021. This deadline may be further extended, with the consent of the Takeover Panel, at Ultra’s request, in accordance with Rule 2.6(a) of the Code.

A further announcement will be made as appropriate.

Notes:

In accordance with Rule 2.5 of the Code, Cobham reserves the right to:

- make an offer for Ultra on less favourable terms than, and/or vary the form or mix of the consideration contemplated by, the Proposal:
 - with the agreement or recommendation of the Board;

- if a third party announces a firm intention to make an offer for Ultra which, at the date Cobham announces a firm intention to make an offer for Ultra, is at a lower value than that contemplated by the terms of the Proposal and is recommended by the Board; or
- following the announcement by Ultra of a whitewash transaction pursuant to the Code; or
- announce an offer on less favourable terms than the Proposal if Ultra announces, declares, makes or pays any dividend and/or other return of capital or distribution to its shareholders (other than the Interim Dividend) after this announcement (in which case Cobham reserves the right to reduce the offer by an amount up to the amount of such dividend and/or other return of capital or distribution).

There can be no certainty that any firm offer will be made for Ultra.

This announcement has been made by Ultra with the agreement of Cobham.

Enquiries:

Ultra Electronics Holdings plc

Simon Pryce, Chief Executive

+44 (0) 20 8813 4307

Jos Sclater, Chief Financial Officer

Gabriella Colley, Director Investor Relations

+44 (0) 7891 206 239

Investor.relations@ultra-electronics.com

Financial adviser: J.P. Morgan Cazenove

Robert Constant / James Robinson / Richard Perelman

+44 (0) 20 7742 4000

Corporate Broker: Numis Securities

Garry Levin / George Price

+44 (0) 20 7260 1000

Financial PR adviser: Engine MHP

Tim Rowntree / Pete Lambie

+44 (0) 20 3128 8570

+44 (0) 7710 032 657

Ultra@mhpc.com

About Ultra

Ultra provides application-engineered solutions in the key elements of mission critical and intelligent systems. Through innovative problem solving, using sustainable capabilities, and evolving technologies, we deliver outstanding solutions to our customers' most complex problems in defence, security, critical detection and control environments.

www.ultra.group

Person responsible

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

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Rule 26.1 Disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.ultra.group by no later than 12 noon (London time) on the business day following this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Further information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Disclosure requirements of the Code

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) of the Code 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 of the Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code 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 of the Code.

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 of the Code).

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
SOURCES AND BASES

The relevant sources of information and bases of calculation are provided below in the order in which such information appears in this announcement. Where such information is repeated in this announcement, the underlying sources and bases are not repeated.

- A value of approximately £2.58 billion for the entire issued and to be issued share capital of Ultra is based on:
 - an offer price of £35.00 per share, plus 16.2 pence per 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
 - Ultra's entire issued and to be issued share capital of 73,309,059, consisting of 71,241,044 ordinary shares in issue (as disclosed pursuant to Rule 2.9 in Ultra's announcement dated 22 July 2021), plus 2,068,015 ordinary shares which may be issued on or after the date of this announcement to satisfy the vesting of awards and the exercise of options.

- All calculations of share premium are based on an offer price of £35.00 per share, plus 16.2 pence per 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.