OPINION OF THE EUROPEAN WORKS COUNCIL OF EASYJET

on the effects on employment of the recommended cash acquisition of easyJet plc by Eagle Bidco Ltd (Apollo)

Given pursuant to Rule 25.9 of the City Code on Takeovers and Mergers

Key positions of the UK European Works Council

The UK European Works Council (**EWC**) is not in a position to give a favourable opinion on the proposed acquisition. On the information available to it, the EWC considers that the transaction, as structured, is likely to weaken easyJet's long-term resilience and to expose employees across Europe to risks that are neither addressed nor mitigated by the assurances given. Its key positions are set out below and developed in the sections that follow.

1. **No engagement before the opinion.** The EWC asked to meet the easyJet Board and Apollo before issuing this opinion; neither agreed within the timetable. Apollo's stated relationship with employee representative bodies begins only after completion. This opinion is therefore based on public information alone.
2. **The assurances to employees are limited, time-bound and unenforceable.** They are statements of current intention for 12 months after completion, expressly not "post-offer undertakings" under Rule 19.5 of the Code, qualified by the words "material in the context of the easyJet Group", and subject to an already-announced reduction of head-office roles. The parallel covenants in the Co-operation Agreement cannot be enforced by employees or their representatives.
3. **The financing replaces easyJet's strongest asset – its balance sheet – with leverage.** The consideration is funded by third-party debt and by Apollo equity of which £750 million to £1 billion takes the form of preference shares carrying a fixed 14 per cent. dividend (rising to 15, 16 or 17 per cent. in specified circumstances) and a minimum redemption return of 1.5 times. easyJet's own Board describes the standalone strategy as "underpinned by its strong balance sheet". That underpinning is removed by this transaction.
4. **Debt service and preference dividends might compete with people, fleet and resilience.** A fixed and rising cost of capital, combined with a leveraged structure, creates a permanent pressure on operating costs. In our industry that pressure has generally been transmitted to pay, rosters, base sizing and training.
5. **The "value creation programme" is undefined and will be designed after shareholders have voted.** Apollo states it has not yet had access to sufficiently detailed information to develop it and will do so in the 12 months after completion – the same 12 months to which the employment assurances are limited. Its listed components (network optimisation, winter profitability, utilisation, automation within a fixed cost base, code-share) all carry potential direct employment consequences.
6. **Collective bargaining and consultation are protected only for 12 months.** No assurance is given beyond that horizon for collective agreements, national bargaining, consultation bodies, pensions, staff travel or other benefits beyond the minimum legally enforceable.
7. **Employees lose share ownership while management gains a private incentive plan.** The current all-employee share plans will cease to operate; up to five per cent. of Topco is reserved for a Management Incentivisation Plan; retention awards are made available to a limited group and expressly exclude employees covered by collective agreements.
8. **The corporate architecture raises serious questions under EU, UK and Swiss airline Ownership & Control rules.** Apollo's voting stake is capped at 49.9 per cent., but Apollo appoints the Chair and a significant part of the board, holds exclusive reserved matters on capital and reorganisation, controls any exit, holds a power of attorney over rollover shareholders' votes and is exempt from the compulsory-transfer and disenfranchisement mechanisms that apply to everyone else. The EWC expects the competent authorities to examine effective control. The Co-operation Agreement contemplates changes to structure, financing and governance as regulatory remedies – so the structure presented may not be the final one.
9. **Transparency will fall sharply.** easyJet will be delisted and re-registered as a private company; Bidco, the Midcos and Topco are all Jersey companies; the Announcement itself states that minority information rights under Jersey law are "very limited". No provision is made for the information flow on which the EWC has relied.
10. **EWC asks for :** binding post-offer undertakings extending the employment assurances; a country-by-country impact assessment before any decision under the value creation programme; commitments on leverage, liquidity and no dividend recapitalisation; EWC information rights; an employee observer on the Topco Board; a share-based employee participation scheme; and a meeting with the easyJet Board and Apollo before the shareholder meetings.

This opinion is issued by the European Works Council of easyJet in response to the recommended cash acquisition of the entire issued and to be issued ordinary share capital of easyJet plc ("easyJet") by Eagle Bidco Ltd ("Bidco"), a company indirectly owned by the Apollo Funds managed by affiliates of Apollo Capital Management, L.P. (together "Apollo"), announced under Rule 2.7 of the City Code on Takeovers and Mergers (the "Code") on 6 August 2026 (the "Announcement").

The EWC requested to meet members of the easyJet Board and of the Apollo transaction team before this opinion was issued, in order to understand Apollo's plans and their impact on employees. Neither the easyJet Board nor Apollo was willing to meet the EWC before the deadline for this opinion. The EWC records this with regret.

This opinion is therefore the EWC's best assessment on the basis of the Announcement and the documents published with it, together with the EWC's knowledge of easyJet. The EWC reserves the right to supplement or revise this opinion when the Scheme Document, the Topco Shareholders' Agreement and the Topco Articles are published, and following any meeting that the easyJet Board or Apollo may yet agree to hold.

The EWC does not express a view on the financial terms of the Cash Offer, which are a matter for shareholders, except insofar as the financing of the transaction bears directly on employment, conditions of employment and the long-term sustainability of the company.

Under the terms of the Acquisition each easyJet shareholder will receive £7.15 in cash per easyJet share, valuing easyJet's issued and to be issued share capital at approximately £5.7 billion.

The cash consideration and transaction costs will be financed by (i) equity invested by the Apollo Funds and (ii) third-party debt under an Interim Facilities Agreement which Bidco expects to replace with long-term debt on or before completion. Between £750 million and £1 billion of the Apollo equity will be subscribed as Midco 1 Preference Shares carrying a fixed preferential dividend of 14 per cent. per annum. The remainder of Apollo's equity will be invested in Topco ordinary shares.

The elements welcomed by the EWC

The EWC has read Apollo's statements of intention carefully and records, fairly, the elements that are positive:

- **Support for the strategy.** Apollo describes easyJet as "one of the most attractive businesses in the global aviation sector", endorses management's existing strategy (fleet upgauging, ancillary and loyalty growth, scaling of Holidays) and states that the business will "continue to operate under private ownership in a manner that is generally consistent with the manner in which they do currently".
- **Headcount.** Apollo and Bidco do not intend to make any headcount reductions in the 12 months following the acquisition becoming effective that will be material in the context of the easyJet Group, and Bidco intends to make no material changes to the balance of skills and functions of the easyJet Group's management and employees.
- **Rights, terms and pensions.** Existing contractual and statutory employment rights and terms and conditions, including pension rights, will be fully safeguarded in accordance with applicable law; no change is intended to employer pension contributions, accrual or admission of new members to the defined contribution and auto-enrolment schemes.

- **Locations and AOCs.** No intention to change the location or functions of the UK headquarters, the AOCs in the United Kingdom, Austria and Switzerland, or the Group's places of business, and no intention as regards material restructurings.
- **Employee representative bodies.** Apollo recognises "the important role that the easyJet Group's employee representative bodies play" and states that any head-office headcount reductions would be approached openly, with engagement and consultation commenced sufficiently far in advance of any final decision.
- **Brand and sustainability.** The Brand Licence Agreement with easyGroup will be kept in place, and easyJet will continue to invest in zero-emission aviation and operational data optimisation.
- **Co-operation Agreement covenants.** In the Co-operation Agreement Bidco has agreed, for at least 12 months after completion, to observe existing rights, make no detrimental change to terms and conditions, maintain base pay, bonus opportunity and a no less favourable benefits package, and to comply with each applicable collective labour agreement and applicable local laws on information and consultation.

These statements are welcome. If they were binding, extended over a period commensurate with the consequences of the transaction, and accompanied by the information needed to verify them, they would materially change the EWC's assessment. As they stand, for the reasons set out in the following sections, they do not.

Why the assurances are insufficient

The Announcement states in terms that "none of the statements (in this paragraph 10) is a 'post-offer undertaking' for the purposes of Rule 19.5 of the Code". Rule 19.5 is the mechanism by which a bidder can make a commitment that the Takeover Panel will supervise and enforce. Apollo has chosen not to use it. The employment assurances are statements of current intention only, which the Code expects to hold for 12 months and which may be departed from thereafter, subject to applicable law.

The covenants in the Co-operation Agreement are contractual, but they are given by Bidco to easyJet. Clause 18 of that agreement confers third-party enforcement rights only in respect of clause 8 (directors' and officers' insurance). No employee, trade union or works council can enforce the employment covenants, and the parties may vary or waive them without reference to employees. Following completion, easyJet will itself be controlled by Bidco.

Every substantive assurance – headcount, terms and conditions, pensions, collective agreements,– is limited to 12 months from the Effective Date.

The Announcement mentions the possible termination of roles linked to easyJet's listed status. The EWC wants more detail on the scope considered: will this also concern roles indirectly linked to the listing, such as treasury, capital management and others? The headcount intention excludes reductions that are not "material in the context of the easyJet Group". easyJet operates 356 aircraft (as at 31 March 2026) across 37 countries and 165 airports. Reductions affecting an entire function, a base or a country could occur without being material at Group level. Secondly, Apollo has already announced that "certain headquarter functions which have historically been related to easyJet's status as a listed company may no longer be required or will be reduced in size" and that this "may impact a limited number of roles in specific areas".

Financial structure and leverage

The EWC has been informed and consulted for many years on easyJet's finances, which have been managed on the basis of a strong investment-grade credit profile with both major rating agencies; a liquidity policy of holding cash equal to unearned revenue plus a fixed buffer, so that the airline can trade through a prolonged loss of revenue caused by external events; a preference for owning rather than leasing the new-generation fleet; and borrowing only to invest. The easyJet Board itself describes the standalone strategy in the Announcement as "underpinned by its strong balance sheet".

The transaction is a leveraged takeover.

Within the equity, £750 million to £1 billion is not ordinary equity at all. It is Midco 1 Preference Shares with the following features:

- a fixed preferential dividend of 14 per cent. per annum, increasing to 15 per cent. if cash dividends are not paid in full;
- redemption at Apollo's option, and on a change of control, listing, insolvency or the fifteenth anniversary of completion, in each case only if the holders receive at least 1.5 times their invested capital;
- an automatic increase of one per cent. in the cash and paid-in-kind dividend rates (to a maximum of 16 and 17 per cent. respectively) if redemption does not occur on those events or if "protective provisions regulating certain actions that can be taken by Midco 1 and its subsidiaries" are breached; and
- structural seniority to all of the ordinary equity, such that "in any scenario in which the aggregate value of the Topco Group is insufficient to satisfy the obligations of the Midco 1 Preference Shares in full, the Rollover Shares may have limited or no residual value".

A 14 per cent. fixed return on up to £1 billion, sitting above the ordinary equity, is an annual claim on the Group's cash flow that did not exist before. It is payable whether or not the year is good. On top of it sits the interest on the acquisition debt. Neither is a cost of flying passengers; both are costs of the change of ownership.

In easyJet's industry the largest controllable operating costs are people, crew productivity, base configuration, maintenance and training. The EWC's experience, and that of employee representatives across European aviation, is that high financial costs translate into sustained pressure on exactly those items: pay progression, roster rules, base sizing, outsourcing of ground and maintenance functions, and reduced investment in training and resilience. The Announcement offers no analysis of how debt service and preference dividends will be met alongside the fleet renewal programme that both Apollo and the Board describe as central to the strategy, nor of what happens in a downside scenario.

The Board recommends the offer partly because of "the current situation in the Middle East, and its impact on customer confidence and jet fuel prices", which it says "demonstrate the types, and extent, of risks that easyJet faces". The EWC agrees that these risks are real. That is precisely why easyJet has held an investment-grade balance sheet and a liquidity buffer. Replacing that balance sheet with leverage at a moment when the Board itself identifies elevated external risk is, in the EWC's view, the wrong response to the risk the Board describes.

The Announcement confirms that the costs and expenses of the Acquisition incurred by the Apollo Funds, and the costs of any future exit, refinancing or return of proceeds, will be borne by the Topco

Group – that is, ultimately, by the airline – and that "the quantum of such costs is not known". Matters reserved to the Apollo Funds alone include "any return of capital" and "entry into any debt financing that includes rights to equity securities". Nothing in the Announcement excludes a future dividend recapitalisation, further borrowing to fund distributions, or sale-and-leaseback of owned aircraft to release cash to shareholders.

We need to know more about the value creation plan

Apollo states that it has "not yet had access to sufficiently detailed information or time with management to develop the full details of the value creation programme" and that in the 12 months following completion it will "undertake a detailed evaluation of the easyJet Group and its existing strategic plan, in order to refine and build the value creation programme". Shareholders are therefore being asked to approve, and employees to accept, a change of control whose operational content will be decided afterwards – and decided during the only period in which the employment assurances apply. Any restructuring flowing from that evaluation can crystallise the day those assurances expire.

The components that Apollo lists are not neutral for employment. Each of the following, taken from the Announcement, could have direct consequences for crew, engineering, ground and head-office staff:

- **Revenue management:** "Improving profitability profile in winter" – in practice, seasonal capacity and base decisions affecting rosters, seasonal contracts and base sizing.
- **Digital investment:** "investment in data and analytics … to drive simplification and automation within a fixed cost base" – automation of functions currently performed by people.
- **Network enhancements:** "improving utilisation and load factors across the network" and growth "into new geographies" – might result in aircraft and crew reallocation between bases and countries.
- **Partnerships:** "interline and code share with other airlines" – changes to the operating model with implications for ground handling, disruption management and crew procedures.
- **Targets:** the stated objective of "outperformance of revenue and profitability relative to management's strategic plan" and "doing more with easyJet's existing assets" – higher productivity demanded of the same people and aircraft.

The EWC is not opposed to growth or to efficiency. It is opposed to being asked to give an opinion on a programme that does not yet exist, but is core to the takeover, and to the absence of any commitment to assess its impact country by country, base by base and function by function before decisions are taken. Fleet renewal, base deployment, route planning, maintenance, ground operations, digital systems and customer operations all have direct consequences for employees; the EWC is concerned how Apollo intends to fund the growth strategy while servicing the new capital structure and maintaining safety, operational resilience, employee capability and service quality.

Employment, terms and conditions, collective bargaining and benefits

Although Apollo and Bidco have given assurances for the 12 months following completion, there is no assurance of any kind, beyond the protection offered by local legislation, that existing terms and conditions, collective agreements, national bargaining arrangements, consultation bodies and trade

union relationships will be respected beyond that period. This covers pay arrangements, rosters, working time, pensions, benefits, training rights, career pathways and any change to employment conditions.

The delisting brings to an end the easyJet UK and International Sharesave Plans, the Share Incentive Plans and the other easyJet Share Plans through which employees across Europe have participated in the company's value. At the same time, up to five per cent. of Topco is reserved for an EU Trust in connection with a Management Incentivisation Plan for "certain members of the easyJet Group's management team", with further shares capable of being issued to it after completion without the anti-dilution protection that other shareholders enjoy. Separately, the Co-operation Agreement provides for cash retention awards to a limited group of employees whose retention is considered critical, expressly excluding any employee in scope of a collective labour agreement.

The EWC considers this asymmetry unacceptable. Broad-based employee ownership is removed for everyone; a private equity incentive is created for a few; and the employees who are covered by collective agreements – the majority of the operational workforce – are excluded from the only cash retention mechanism on offer. If Apollo believes, as it says, that "the easyJet Group's employees will benefit from greater opportunities as a result", a broad-based participation or profit-sharing mechanism for the whole workforce is the natural way to demonstrate it.

Ownership and control

easyJet operates through three licensed carriers: easyJet UK Limited, easyJet Europe Airline GmbH (Austria) and easyJet Switzerland SA. Each is subject to ownership and control requirements – under Regulation (EC) No 1008/2008 for the Austrian carrier, under the UK Civil Aviation Act 1982 and the assimilated Regulation for the UK carrier, and under Swiss law for the Swiss carrier, together with the requirements of the UK–EU Trade and Cooperation Agreement. Those rules require the carriers to be majority owned and effectively controlled by qualifying nationals. "Effective control" is not a matter of share percentages alone; it turns on who in practice exercises decisive influence over the undertaking.

The Announcement addresses these rules by capping the Apollo Funds' ordinary shareholding in Topco at 49.9 per cent., by requiring a majority of the Topco Board to be EU nationals, and by giving the Topco Board and the Apollo Funds sweeping "overriding provisions" to reallocate shares, reweight votes, disenfranchise shareholders and compulsorily transfer or buy back shares "in order to maintain compliance". The EWC notes that, under the Commission's 2017 Interpretative Guidelines on Regulation (EC) No 1008/2008, a stake held by a third country or a third country national of more than 30 per cent. "may, as a general rule, require an in-depth assessment by the competent licensing authority" (paragraph 72). Apollo's shareholding of up to 49.9 per cent. is well above that threshold.

The EWC does not assert that the structure is unlawful; that is for the regulators. It does consider that the Announcement itself discloses indicators of control by Apollo that could go well beyond a 49.9 per cent. shareholding, and that the competent authorities should examine them:

- **Board.** Apollo appoints the Chair of the nine-member Topco Board and, in addition to its right as a Material Shareholder to appoint one director and one observer, may appoint and remove three further directors and three observers. No other shareholder group is disclosed as having more than one seat. It is worthy of note that The Commission's 2017 Guidelines state that the nationality of persons in key positions "has no own indicative value". What counts is whether

EU nationals "are in control of the processes leading to the adoption of important decisions, among which may be the appointment or dismissal of key personnel" (paragraph 73).

- **Reserved matters.** The matters reserved to the Apollo Funds alone – raising new equity or issuing shares, initiating an IPO, any return of capital, any reorganisation of the Topco Group and entry into any debt financing that includes rights to equity securities – are rights that would not be unusual for a majority shareholder but Apollo is specifically not a majority shareholder: it holds at most 49.9 per cent. of Topco. Rights of this breadth in the hands of a 49.9 per cent. shareholder questions a potential effective control**.**
- **Exit and drag-along.** During the three-year lock-up an exit can be initiated only by the Apollo Funds together with each other Material Shareholder; thereafter only by the Apollo Funds or with their consent. Rollover Shareholders "have no means of pursuing an Exit without the consent of the Apollo Funds" and are subject to a drag-along with no minimum price.
- **Power of attorney.** Each Rollover Shareholder grants a power of attorney to Topco and to the Apollo Funds to "attend and vote at any general meeting of Topco and sign any written resolutions" on its behalf. The Announcement acknowledges that its breadth "may significantly limit the ability of a Rollover Shareholder to independently exercise voting and other rights".
- **Nationality Powers.** Several nationality powers are conferred on "the Topco Board and the Apollo Funds". These include reallocating new shares, transferring votes to the chair of a meeting and forcing the transfer or buy-back of shares. The vote-transfer and compulsory transfer powers expressly do not apply to shares held by the Apollo Funds. The Topco Board and the Apollo Funds also have an "absolute right" to add further provisions of this kind.
- **Asymmetric mechanisms.** The compulsory transfer, compulsory buy-back and vote-vesting provisions "will not apply to Apollo, the Apollo Funds or their affiliates". Every mechanism for adjusting ownership and votes operates on the EU-national shareholders and never on Apollo.
- **Unilateral amendment.** The Topco Board and the Apollo Funds have "an absolute right to adjust the Topco Shareholders' Agreement" to add further such provisions.
- **Preference shares.** Beyond its ordinary shares, Apollo holds £750 million to £1 billion of preference shares whose "protective provisions" regulate "certain actions that can be taken by Midco 1 and its subsidiaries" – that is, by the airline – on pain of a step-up in the dividend. Apollo's economic exposure, and its contractual grip on the operating companies, therefore substantially exceed its voting percentage.
- **The counterweight has no influence.** The Announcement states that Rollover Shareholders holding less than 20 per cent. "will have no meaningful influence over decisions" and "no influence over decisions … in relation to … strategy or capital structure". The EU-national block that is supposed to supply effective control is thus, by Apollo's own description, largely without influence.

Ownership and control is not an abstract regulatory question for the EWC. The operating licences of the three carriers, and therefore every job in the Group, depend on it. The Co-operation Agreement defines the "Remedies" that Bidco may have to offer to obtain regulatory clearance as including "any adjustment to the proposed acquisition structure or financing of the Acquisition, or the ownership, governance or control rights of the direct or indirect shareholders of the easyJet Group". The structure described to employees and shareholders in the Announcement may therefore not be the structure that emerges from the regulatory process, and neither the EWC nor employees have any visibility of what it might become.

The EWC accordingly calls on the UK Civil Aviation Authority, the Austrian licensing authority, the Swiss Federal Office of Civil Aviation and the European Commission to examine the question of effective control in the light of the full Topco Shareholders' Agreement and Topco Articles, and asks easyJet to provide the EWC with any regulatory submissions or remedies that affect the ownership, governance or financing of the Group.

Information, consultation and transparency

As a listed company easyJet has been subject to regulatory obligations to publish detailed, accurate and timely accounts, trading updates and strategic plans, to which the EWC and national employee representatives have had access and on which the quality of information and consultation at easyJet has depended.

That will end. easyJet will be delisted and re-registered as a private company. Every company in the acquisition chain – Bidco, the three Midcos and Topco – is registered in Jersey. The Announcement itself warns that shareholders "will not be afforded protections commensurate with those that they currently benefit from" and that "the default information rights available to minority shareholders … under the laws of Jersey are very limited". If that is true for investors, it is truer for employees, who have no shareholder rights at all. The EWC notes also that decisions of real consequence for employees – new debt, returns of capital, reorganisations, exit – will be taken at the level of a Jersey holding company outside the perimeter within which the EWC has historically been informed and consulted.

By contrast, the Announcement gives every Material Shareholder (a holder of 20 per cent. or more of Topco) the right to receive business plans and budgets, annual, quarterly and monthly reporting packs, board materials, all information provided to lenders, KPI reporting and access to management. Apollo has thus designed, in detail, an information regime for large investors. It has not disclosed anything on this matter for the workforce.

To function properly, the EWC therefore requires, as a condition of any constructive relationship with the new owner, information rights at least equivalent to those of a Material Shareholder, delivered at the level of the entity where decisions are taken, and a mechanism – an employee observer on the Topco Board – that ensures employee representatives learn of decisions before, not after, they are made. These are the practical requirements to deliver Apollo's stated intention to develop "a positive, constructive working relationship" with employee representative bodies.

Conclusion and requests

The EWC's central position is that any change of ownership must strengthen, not weaken, easyJet's long-term sustainability, and must protect the employees whose work underpins the company's success. Measured against that standard, the transaction as announced fails on both counts: it substitutes leverage and a 14 per cent. preferred return for the balance sheet that has protected the company and its people through successive shocks, and it offers employees 12 months of non-binding intentions in exchange for permanent change. The EWC is therefore not in a position to give a favourable opinion and does not consider the Acquisition, as presently structured and documented, to be in the interests of easyJet's employees.

The EWC's opinion could change. It invites the easyJet Board and Apollo to:

- **1.** convert the employment, pensions, locations, AOC and collective-bargaining intentions into post-offer undertakings under Rule 19.5 of the Code, extended beyond 12 months, and make

the Co-operation Agreement employment covenants enforceable by employee representatives;

- **2.** commit that no base closure, transfer of activity between countries, outsourcing of an existing function or change to collective bargaining structures will be decided under the value creation programme without a prior country-level impact assessment shared with, and consulted upon with, the EWC and the relevant national bodies;
- **3.** publish, before the Court Meeting and General Meeting, the anticipated opening leverage, annual debt service and preference dividend, the liquidity policy that will apply after completion, and a commitment that no dividend recapitalisation, distribution-funded borrowing or sale-and-leaseback of owned aircraft to fund distributions will occur while the Midco 1 Preference Shares are outstanding;
- **4.** confirm that the fleet renewal and upgauging programme will be funded in full and on the existing timetable;
- **5.** grant the EWC information rights equivalent to those of a Material Shareholder and appoint an employee observer to the Topco Board;
- **6.** establish a broad-based employee participation or profit-sharing scheme to replace the all-employee share plans, open to all employees including those covered by collective agreements;
- **7.** provide the EWC with the regulatory submissions and any remedies relating to ownership, control, governance or financing; and
- **8.** meet the EWC, with both the easyJet Board and Apollo present, before the Court Meeting and General Meeting, and thereafter at least quarterly during the first two years of ownership.

The EWC will revisit this opinion on publication of the Scheme Document and in the light of any engagement that the easyJet Board and Apollo agree to.

Liverpool, 12 October 2026
For the European Works Council of easyJet
Nick Charnley, Chair