

Stilo International Plc

(the "**Company**")

Proposed Buyback, Tender Offer and De-Listing

The Company today announces that a circular (the "**Circular**") will be sent to Shareholders later today detailing the following proposals:

- the proposed cancellation of the admission to trading of the Ordinary Shares on AIM (the "**De-Listing**");
- the proposed buyback of 15,265,359 Ordinary Shares in aggregate from Brewin Nominees Limited, BDS Nominees Limited and Giltspur Nominees Limited at 1 pence per Ordinary Share;
- a tender offer, closing at 1.00 pm on 13 September 2019, for up to 14,734,641 Ordinary Shares representing approximately 14.93 per cent of the Ordinary Shares in issue following the buyback of Ordinary Shares from Brewin Nominees Limited, BDS Nominees Limited and Giltspur Nominees Limited at 1 pence per Ordinary Share (the "**Tender Offer**");
- the proposed re-registration of the Company as a private limited company (the "**Re-registration**"); and
- the replacement of the Current Articles with the New Articles.

The Circular sets out the terms of the Buyback, the Tender Offer and incorporates a notice of a General Meeting to be held on 30 September 2019 at which resolutions to approve the Proposals will be proposed.

Buyback

Holding 13.40 per cent of the voting rights, Brewin Nominees, BDS Nominees and Giltspur Nominees have agreed to support the Company's De-Listing on the basis that the Company will buy back the Brewin Nominees Shares at the Tender Offer Price.

Under the Brewin Nominees Purchase Contracts, the Company has conditionally agreed to purchase the Brewin Nominees Shares at 1 pence per Ordinary Share. The Company's purchase of the Brewin Nominees Shares pursuant to the Brewin Nominees Purchase Contracts is, *inter alia*, conditional on the Brewin Nominees Purchase Contracts being authorised by a shareholders' resolution (Resolution 1), at which Brewin Nominees, BDS Nominees and Giltspur Nominees will not vote their shares.

Tender Offer

The Board recognises that not all Ordinary Shareholders will be able or willing to continue to own Ordinary Shares following the De-Listing. Subject to the Tender Conditions being satisfied, Qualifying Shareholders will therefore have the opportunity to tender all or some of their Ordinary Shares at the Record Date pursuant to the Tender Offer.

Under the Tender Offer, the Company will purchase up to 14,734,641 Ordinary Shares (representing approximately 14.93 per cent of the Ordinary Shares in issue following the buyback of the Brewin Nominees Shares) from Qualifying Shareholders at 1 pence per share. The Tender Offer Price represents:

- a discount of approximately 31 per cent. over the closing mid-market price of an Ordinary Share on 22 August 2019, being the last dealing day before the date of this announcement; and
- a discount of approximately 23 per cent. over the 30 day volume weighted average share price of an Ordinary Share on 22 August 2019, being the last dealing day before the date of this announcement.

De-Listing

Pursuant to Rule 41 of the AIM Rules, the Directors have notified the London Stock Exchange of the intention to cancel the admission of Ordinary Shares to trading on AIM, subject to Shareholder approval. Under the AIM Rules, it is a requirement that the De-Listing is approved by the requisite majority of Shareholder voting (being not less than 75. per cent of the votes cast).

Subject to the resolutions approving the De-Listing and the Re-registration being passed, it is anticipated that the De-Listing will become effective on 8 October 2019 and the Re-registration will take effect on 29 October 2019.

Further details of the proposals are set out below.

EXPECTED TIMETABLE

Announcement of proposed De-Listing and Tender Offer, posting of this document, Proxy Form and Tender Form to Shareholders and Tender Offer opens	Friday 23 August 2019
Closing of Tender Offer - Latest time and date for receipt of Tender Forms and TTE Instructions in relation to the Tender Offer	1.00 pm on Friday 13 September 2019
Record Date for Tender Offer	6.00 pm on Friday 13 September 2019
Announcement of results of Tender Offer	Monday 16 September 2019
Purchase Contract and Brewin Nominees Purchase Contracts available for inspection	From Monday 16 September to Monday 30 September 2019
Latest date for receipt of Proxy Form (to be received no later than 48 hours before the General Meeting)	Saturday 28 September 2019
General Meeting	11.00 am on Monday 30 September 2019
Announcement of the results of General Meeting	Monday 30 September 2019
Purchase of Tender Offer Shares and Brewin Nominees Shares	Thursday 3 October 2019

Cancellation of Tender Offer Shares and Brewin Nominees Shares	Thursday 3 October 2019
Despatch of cheques for Tender Offer proceeds	Thursday 3 October 2019
CREST accounts credited with Tender Offer proceeds and proceeds of acquisition of Brewin Nominees Shares	Thursday 3 October 2019
Despatch of share certificates in respect of any revised holdings of Ordinary Shares following the Tender Offer, and any Ordinary Shares held in CREST not tendered pursuant to the Tender Offer	Thursday 3 October 2019
De-Listing and cancellation of admission of the Ordinary Shares to trading on AIM	Tuesday 8 October 2019
Re-registration of the Company as a private limited company	Tuesday 29 October 2019

If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service.

All times are references to London time.

All events in the above timetable following the GM are conditional, inter alia, upon the approval of the Resolutions.

The De-Listing requires the approval of not less than 75 per cent. of the votes cast by Shareholders at the General Meeting.

Capitalised terms in this announcement (unless otherwise defined) have the same meanings as set out in the Circular.

Copies of the Circular will shortly be available on the Company's website (www.stilo.com/investor-resources/).

For further information please contact:

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1. De-Listing

1.1. Reasons for the De-Listing

The Board has conducted a review of the benefits and drawbacks to the Group retaining its listing on AIM and maintaining its existing corporate structure. The Board believes that the De-Listing is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Board has considered the following key factors:

- there is, and has been for some time, a lack of liquidity in the Ordinary Shares such that there is a very limited market for the Ordinary Shares;
- there is limited trading of the Ordinary Shares. Over the past 12 months 22,970,000 Ordinary Shares were traded representing approximately 20.2 per cent. of the issued share capital and giving an average daily volume of approximately 91,150 Ordinary Shares;
- the Company estimates that it could save annualised costs of at least £120,000, being incremental costs resulting from the Company being a plc with a listing on AIM – this includes fees payable to Brokers, the Nominated Adviser, the Registrar and AIM as well as incremental legal accounting and auditing fees, and time spent by the Board on dealing with continuing obligations associated with Stilo being on the AIM market. These specific annualised costs are seen as significant in the context of Stilo's financial results: a pre-tax profit of £139,000 in the year ended 31 December 2018 and (unaudited) pre-tax loss of £29,000 in the 6 months ended 30 June 2019;
- accordingly, the costs associated with maintaining the AIM quotation are considered by the Directors to be disproportionately high when compared to the benefits of being listed on AIM, even though these costs have been, so far as reasonably possible, controlled and minimised by the Company. The Board believes that these funds could be better utilised for the benefit of the Company;
- one of the main benefits of a company being listed on AIM is to issue new shares to raise additional funds for investment or to issue new shares as consideration for acquisitions. The Board has not utilised its shares for such purposes for over 10 years. The Board's strategy is to continue to grow organically and has no present intention of issuing shares to either raise new funds for investment or for acquisition;
- the management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Directors' opinion, disproportionate to the benefits to the Company;
- the Directors believe that the Company's AIM-quoted status – in which the Company has a tangible share price and hence a perceived "value" - has presented a significant barrier, in practice, in advancing M&A discussions with potential acquisition candidates. Additionally, the Board's experience is that many privately-owned companies are not attracted by the prospect of acquiring, or becoming part of, a publicly traded company. The Directors believe that if the Company was off the market, it might be possible to command a much higher company valuation than that which is currently reflected in our share price.

1.2. Effect of De-Listing

The principal effects of the De-Listing will be that:

- Shareholders will no longer be able to buy and sell Ordinary Shares through a public stock market, further reducing the liquidity in the Ordinary Shares;

- the Company will no longer be required to announce material events or interim results through a regulatory news service, although the Company will continue to release important news through its website;
- the Company will adopt the New Articles, but will otherwise no longer be required to comply with many of the corporate governance requirements applicable to companies traded on AIM;
- the Company will no longer be subject to the Disclosure Guidance and Transparency Rules and will therefore no longer be required to disclose major shareholdings in the Company;
- the Company will no longer be subject to the AIM Rules, with the consequence that Ordinary Shareholders will no longer be afforded the protections given by the AIM Rules. Such protections include a requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business and to announce, *inter alia*, certain substantial and/ or related party transactions; and
- the De-Listing may have taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position they should consult their own professional independent adviser immediately.

Shareholders should note that the Takeover Code will continue to apply to the Company following the De-Listing for a period of ten years (or such longer period as the Company shall decide). The Company will also continue to be bound by the Act (which requires shareholder approval for certain matters) following the De-Listing.

1.3. De-Listing Process

Under the AIM Rules, the De-Listing can only be effected by the Company after securing a special resolution of Shareholders in a general meeting and the expiry of a period of 20 clear Business Days from the date on which notice of the De-Listing is given to the London Stock Exchange. In addition, a period of at least five clear Business Days following Shareholders' approval of the De-Listing is required before the De-Listing may become effective. The Resolutions seek (amongst other matters) the approval of Shareholders for the De-Listing. Assuming that the Resolutions are approved, it is proposed that the De-Listing will take place by 8.00 am on 8 October 2019.

1.4. Ordinary Share dealing following De-Listing

In order to facilitate continued trading in the Ordinary Shares, the Company will consider engaging a third party provider to supply share registrar services and a share matching facility. Shareholders will be advised on any updates in this regard and details will also be communicated on the Company's website: www.stilo.com.

Until such time, following the De-Listing, there will be no market facility for dealing in the Ordinary Shares, no price will be publicly quoted for the Ordinary Shares and the transfer of Ordinary Shares will be subject to the provisions of the New Articles.

1.5. New Articles and corporate governance

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles with effect from completion of the De-Listing. A summary of the principal changes being made by the adoption of the New Articles is set out in Part V of the Circular. Following the De-Listing, the Company proposes to adopt corporate governance practices and the New Articles which are suitable for an unlisted company.

2. Buyback

Holding 13.40 per cent of the voting rights, Brewin Nominees, BDS Nominees and Giltspur Nominees have agreed to support the Company's De-Listing on the basis that the Company will buy back the Brewin Nominees Shares at the Tender Offer Price.

Under the Brewin Nominees Purchase Contracts, the Company has conditionally agreed to purchase the Brewin Nominees Shares at 1 pence per Ordinary Share Price. The Company's purchase of the Brewin Nominees Shares pursuant to the Brewin Nominees Purchase Contracts is, *inter alia*, conditional on the Brewin Nominees Purchase Contracts being authorised by a shareholders' resolution, at which Brewin Nominees, BDS Nominees and Giltspur Nominees will not vote their shares.

The Ordinary Shares purchased by the Company pursuant to the Brewin Nominees Purchase Contracts will be cancelled.

The purchase of the Tender Offer Shares will be financed out of the Group's existing cash reserves and working capital resources and will be paid out of the Company's distributable reserves, and the Company has today arranged for unaudited interim accounts for the six month period ended 30 June 2019 which were notified by Regulatory Information Service today to be filed with the Registrar of Companies in England and Wales as the relevant properly prepared accounts for the purposes of determining the level of distributable reserves in accordance with sections 836 and 838 of the Act. As at 30 June 2019 the Company had (unaudited) cash balances of £1.095 million.

Brewin Nominees Limited, BDS Nominees and Giltspur Nominees are shown as the registered or legal holder of in aggregate 15,265,359 shares on the Company's share register. It is understood that there are around 196 underlying beneficial shareholders, being discretionary clients of Brewin Dolphin. As this legal holding is in excess of 10% of Stilo's issued share capital, Brewin Nominees, BDS Nominees and Giltspur Nominees are classed as a related party, and the entering into of the Brewin Nominees Purchase Contracts is a related party transaction under the AIM Rules for Companies (AIM Rule 13).

As such the Independent Directors have considered the terms of the Brewin Nominees Purchase Contracts, and note the following:

- The Proposals have been prepared in order to facilitate a De-Listing of the Company which the Directors strongly believe, for reasons set out above, is important for the Company to achieve.
- Having discussed this with major Shareholders it became clear that the manager of Brewin Nominees, BDS Nominees and Giltspur Nominees would not be supportive of a De-Listing resolution unless a mechanism could be found for the underlying shareholders within Brewin Nominees, BDS Nominees and Giltspur Nominees to sell their shares. A tender offer on its own would not be sufficient to ensure that all of the Brewin Nominees', BDS Nominees' and Giltspur Nominees' holdings could be disposed of, therefore the current structure of the Proposals was deemed to be the best way of achieving the goal.
- As major Shareholders (owning 16.8% directly, and 25.5% including connected and associated parties) those members of the Board holding shares are prepared to limit their participation in the Tender Offer (subject to the requirements of paragraph 5 "Takeover Code, Director Concert Party and Undertakings" below to ensure that the aggregate Director Concert Party shareholding does not exceed 30% of the issued share capital at any time) such that other Shareholders are able, should they wish, to sell more than their pro rata entitlement in the Tender Offer.

- Importantly, and notwithstanding the fact that the Company has an existing authority (approved by Shareholders at the most recent AGM) to undertake market purchases of up to 10% of the current issued share capital, the Board has determined to make the Buyback of the Brewin Nominees Shares subject to the vote of independent Shareholders (i.e. in a resolution on which Brewin Nominees, BDS Nominees and Giltspur Nominees are unable to vote their shares), alongside a tender offer which provides all other Shareholders the opportunity to sell some of their shares.
- As such the Buyback (and the Tender Offer) will only proceed if Shareholders approve all the Resolutions at the General Meeting.

Taking all these factors into account, the Directors, having consulted with SPARK, the Company's nominated adviser, consider that the terms of the Brewin Nominees Purchase Contracts to be fair and reasonable insofar as Shareholders are concerned.

3. Tender Offer

The Board recognises that not all Ordinary Shareholders will be able or willing to continue to own Ordinary Shares following the De-Listing. Subject to the Tender Conditions being satisfied, Qualifying Shareholders will therefore have the opportunity to tender all or some of their Ordinary Shares at the Record Date pursuant to the Tender Offer. Under the Tender Offer, the Company will purchase up to 14,734,641 Ordinary Shares (representing approximately 14.93 per cent of the Ordinary Shares in issue following the buyback of the Brewin Nominees Shares) from Qualifying Shareholders at 1 pence per share. The Tender Offer Price represents:

- a discount of approximately 31 per cent. over the closing mid-market price of an Ordinary Share on 22 August 2019, being the last dealing day before the date of this announcement; and
- a discount of approximately 23 per cent. over the 30 day volume weighted average share price of an Ordinary Share on 22 August 2019, being the last dealing day before the date of this announcement.

Any Ordinary Shares purchased by the Company under the Tender Offer will be cancelled. The Tender Offer is subject to the conditions set out in Part II of the Circular being satisfied. The Tender Offer is open to Shareholders on the register of the Company at 6.00 pm on 13 September 2019.

The purchase of the Tender Offer Shares will be financed out of the Group's existing cash reserves and working capital resources and will be paid out of the Company's distributable reserves. The interim accounts for the six month period ended 30 June 2019 are the relevant properly prepared accounts for the purposes of determining the level of distributable reserves in accordance with sections 836 and 838 of the Act.

Qualifying Shareholders may tender some, all, or none of their holdings pursuant to the Tender Offer. A maximum of 14,734,641 Ordinary Shares may be purchased in the Tender Offer. This represents 14.93 per cent of the Ordinary Shares in issue, following the Buyback of the Brewin Nominees Shares.

Tenders will be accepted (and if the Tender Offer is over-subscribed, the tenders will be scaled back) on the following basis:

- first, 14.93 per cent of all tenders from the Qualifying Shareholders will be satisfied (with the number of Ordinary Shares being rounded down to the nearest whole number); and
- second, the balance of the remaining tenders from the Qualifying Shareholders will be satisfied on a *pro rata* basis to the number of Ordinary Shares tendered by the remaining tenders from the Qualifying Shareholders (with the number of Ordinary Shares being rounded down to the nearest whole number).

The decision of the Company as to the treatment of fractions or other issues arising from any scaling back will be conclusive and binding on all Shareholders.

Qualifying Shareholders who elect not to tender their holdings pursuant to the Tender Offer will, on completion of the De-Listing, hold Ordinary Shares in a private limited company. Furthermore, as set out above there will be no market facility for dealing in the Ordinary Shares, no price will be publicly quoted for the Ordinary Shares and the transfer of Ordinary Shares will be subject to the provisions of the New Articles.

Full details of the Tender Offer are set out in Part II of the Circular. **The Tender Offer is conditional, *inter alia*, on all other Resolutions being passed at the GM. The Tender Offer will also not proceed if any of the conditions specified in paragraph 1 of Part II of the Circular are not satisfied and the Tender Offer may be terminated in the circumstances described in paragraph 22 of Part II of the Circular.** If the Tender Offer does not proceed or is terminated once it is made, the Company will make an announcement through a Regulatory Information Service.

The attention of Qualifying Shareholders who are citizens or nationals of or resident in jurisdictions outside the United Kingdom and who wish to participate in the Tender Offer is drawn to the section headed 'Overseas Shareholders' in Part II of the Circular. The Tender Offer is not being made, directly or indirectly, in or into any Restricted Jurisdiction.

4. Takeover Code, Director Concert Party and Undertakings

The Takeover Code applies to the Company.

Under Rule 9 of the Takeover Code where: (i) any person acquired an interest in shares (as defined in the Takeover Code) which, when taken together with shares in which he or persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code; or (ii) any person who, together with persons acting in concert with him, is interested in not less than 30 per cent. but does not hold shares carrying more than 50 per cent. of the voting rights of a company subject to shares which increase his percentage of the voting rights, such persons are normally obliged to make a general offer to all the remaining shareholders to purchase, in cash, their shares at the highest price paid by him, or any person acting in concert with him, within the preceding 12 months.

For the purposes of the Takeover Code, persons acting in concert comprise persons who, pursuant to an agreement or undertaking (whether formal or informal), actively co-operate, through the acquisition by them of shares in a company, to obtain or consolidate control of that company. The Director Concert Party, which includes Chief Executive Les Burnham, Chairman David Ashman and persons connected or associated with them, are deemed to be acting in concert for the purposes of the Takeover Code and as at the date of this document is interested in 25.53 per cent. of the Ordinary Shares in the Company.

To ensure that that the Director Concert Party will not be required to make a general offer cash to the remaining shareholders in the Company as a result of the Company's buyback of the Brewin Nominees Shares and the Tender Offer, the Directors have undertaken to participate in the Tender Offer and Tender such number of Ordinary Shares to ensure that on completion of the Company's buyback of the Brewin Nominees Shares and the purchase of the Tender Offer Shares, the Director Concert Party shall have an interest in less than 30 per cent of the Ordinary Shares in the Company following the Proposals.

5. Re-registration

Following the De-Listing, the Board believes that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company.

Application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration which is expected to be on 29 October 2019. The Registrar of Companies will not issue the certificate of incorporation on Re-registration until the Register of Companies is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company. Accordingly, the expected date of the Re-registration may be subject to change.

6. Current trading

The Company published its financial for the 6 months ended 30 June 2019 on 23 August 2019. Extracts are set out below:

Stilo International plc ("Stilo", the "Group" or the "Company") today announces its unaudited Interim Results for the six months ended 30 June 2019. The Company provides software tools and cloud services that help organisations create and process structured content in XML format, so that it can be more easily stored, managed, re-used, translated and published to multiple print and digital channels.

FINANCIAL HIGHLIGHTS

- Reduction in sales revenues to £638,000 (2018: £707,000)
- Operating costs remain level £656,000 (2018: £657,000), excluding capitalised development costs for AuthorBridge of £110,000 (2018: £99,000)
- Loss before tax for the period of £29,000 (2018: £42,000 profit)
- Total comprehensive income for the period remained positive at £14,000 (2018: £5,000) subsequent to favourable foreign currency translation differences
- Cash of £1,096,000 as at 30 June 2019 (2018: £1,442,000)
- No interim dividend declared

David Ashman, Chairman, commenting on the Company's performance, stated:

"In our Trading Update of 23 May 2019 we indicated that sales were slower than planned and that a loss was expected for the half-year period.

We are currently expecting trading to continue slowly for the remainder of 2019 and need to take measures to reduce our operating costs wherever possible. Of primary importance is the proposal to de-list from AIM and re-register as a private limited company, subject to shareholders' approval. This is the subject of an associated announcement issued immediately following the release of these interim results and is expected to generate potential annualised cost savings of over £120,000. Additional cost-reduction activities include organisational and management changes that are currently underway.

The Company continues to develop high-quality software tools used by leading organisations around the world. With a reduced cost base and increased sales to be driven by the recruitment to the newly created role of VP Sales & Marketing, it is our intention to generate steady ongoing profits and resume the payment of dividends to shareholders as soon as possible."

The directors of the Company can confirm that, since the date of publication of the interim financial results, there has been no significant change in the trading or financial position of the Company.

Following the Proposals, the Company intends to continue operating as it has done over the Company's last financial year and carry out the same activities, and retain the same business strategy, as a private company, that it did as a public company. Based on current market conditions, the Company does not envisage any significant changes to the Company's trading position once the Proposals are completed.

7. Trading facility post De-Listing

Following the De-Listing, there will be no market facility for dealing in the Ordinary Shares and no price will be publicly quoted for the Ordinary Shares. As such, holdings of Ordinary Shares are unlikely to be capable of sale and will be difficult to value.

In order to facilitate continued trading in the Ordinary Shares, the Company will consider engaging a third-party provider to supply share registrar services and a share matching facility. Shareholders will be advised on any updates in this regard and details will also be communicated on the Company's website: www.stilo.com.

In addition the Board will consider undertaking future buybacks of shares based on the Company's future cash reserves, financial condition, capital requirements and the Board's assessment of its prospects.

8. Proposals to be voted on at the General Meeting

For the purposes of effecting the Proposals, the Resolutions will be proposed at the General Meeting. Set out at the end of the Circular is a notice convening the General Meeting to be held at 11.00 am on 30 September 2019 at the offices of RSM UK Audit LLP, 25 Farringdon Street, London EC4A 4AB. The full texts of the Resolutions are set out in that notice, but set out below is a summary of the Resolutions which will be proposed at the General Meeting:

- approval of the De-Listing;
- authorise the Company to make an off market purchases of the Brewin Nominees Shares pursuant to the Brewin Nominees Purchase Contracts;
- authorise the Company to make an off market purchases of its own Ordinary Shares pursuant to the Tender Offer;
- approval of the Re-registration; and
- the replacement of the Current Articles with the New Articles.

9. Action to be taken

General Meeting

Shareholders will find enclosed with the Circular a Form of Proxy for use at the GM. The Form of Proxy should be completed and returned in accordance with the instructions printed thereon so as to arrive at the Company's Receiving Agent, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD as soon as possible and in any event not later than 11.00 am on 28 September 2019. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you so wish and are so entitled.

If the Form of Proxy is not returned by 11.00 am on 28 September 2019, your vote will not count.

Tender Offer

If you are a Qualifying Shareholder and wish to participate in the Tender Offer, you should follow the procedure for tendering shares and full details of the Tender Offer, and the procedure to be followed by Qualifying Shareholders wishing to tender Ordinary Shares, are set out in Part II of the Circular.

The procedure for tendering Ordinary Shares on the Register at the Record Date depends on whether a Qualifying Shareholder holds Ordinary Shares in certificated or uncertificated form.

Qualifying Shareholders who hold Ordinary Shares in certificated form and who wish to tender all or some of their Ordinary Shares held at the Record Date should complete a Tender Form in accordance with the instructions set out in Part II of the Circular and the instructions printed on the Tender Form itself and return it, together with their share certificate(s) by post to the Company's Receiving Agent, Neville Registrars Limited,, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD or (during normal business hours only) by hand to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD as soon as possible and in any event so as to arrive by no later than 1.00 pm on 13 September 2019.

Qualifying Shareholders who hold Ordinary Shares in uncertificated form and who wish to tender all or some of their Ordinary Shares held at the Record Date should tender electronically through CREST so that the TTE Instruction settles by no later than 1.00 pm on 13 September 2019. If Ordinary Shares are held under different member account IDs, a separate TTE Instruction should be sent for each Member Account ID.

10. Taxation

A general guide to the tax position of Shareholders under UK law and HMRC practice in respect of the Tender Offer is set out in Part III of the Circular.

Shareholders should note that the information on taxation set out in Part III of the Circular is a general guide only and that all Shareholders are strongly advised to consult their independent professional advisers about their own personal tax position.

Shareholders are strongly advised to consult an appropriate independent professional adviser in relation to the tax treatment of any sale of Ordinary Shares pursuant to the Tender Offer. You should note that following the De-Listing the Ordinary Shares will no longer be quoted on AIM or any other public market.

11. Further information

Your attention is drawn to the remaining parts of the Circular which provide further information in relation to the Tender Offer, United Kingdom taxation and the New Articles.

If you have any enquiries in relation to the Tender Offer, please contact Neville Registrars Limited on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131. Calls to this number from inside the UK are charged at your service provider's standard rate (charges may vary.) Calls to this number from outside the UK are charged at applicable international rates. Lines are open 9.00 am to 5.00 pm, Monday to Friday. Calls to the helpline number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Tender Offer or give any financial, legal or tax advice.

12. Recommendation

Your Directors consider the Proposals to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions.

The Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do, in respect of their respective shareholdings of 19,187,000 Ordinary Shares in aggregate, representing approximately 16.84 per cent. of the Ordinary Shares currently in issue. This equates to 19.45 per cent. of the shares entitled to vote on Resolution 1, and 16.84 per cent. of the shares entitled to vote on Resolutions 2 to 4 inclusive.

Your Directors also consider it appropriate that those Qualifying Shareholders who are unable or unwilling to hold shares in the Company following the De-Listing should be given an opportunity to realise their investment under the Tender Offer; however, the Directors make no recommendation to Qualifying Shareholders in relation to their participation in the Tender Offer and recommend that all Qualifying Shareholders consult their duly authorised independent advisers before they make a decision as to whether to tender some, all, or none of their Ordinary Shares, in order to obtain advice relevant to their particular circumstances.