

Newmark Security PLC

(Incorporated and registered in England and Wales under registered number 03339998)

15 October 2021

Dear Shareholder

ANNUAL GENERAL MEETING CAPITAL REORGANISATION

Introduction

Newmark Security PLC (the "**Company**") is pleased to inform you that this year's annual general meeting of the Company ("**AGM**") will be held at Holmes Hotel, 83 Chiltern Street, London W1U 6NF on Wednesday 10 November 2021 at 10:00 a.m. The formal notice of the AGM accompanies this letter.

AGM

We are keen to welcome shareholders in person to the AGM this year, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. At present, following the resumption of indoor gatherings, we can hold this year's AGM in person. We are therefore proposing to welcome the maximum number of shareholders we are able within safety constraints and in accordance with government guidelines.

Given the constantly evolving nature of the situation, we want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for shareholders to attend the meeting, we may have to make alternative arrangements for the AGM. Should we have to change the arrangements in this way, it is likely that we will not be in a position to accommodate shareholders beyond the minimum required to hold a quorate meeting which will be achieved through the attendance of employee shareholders. If there are any changes to the current arrangements for the AGM, the information will be made available on our website and, where appropriate, by an announcement via a Regulatory Information Service.

An explanation of the business to be considered at the AGM is set out at the end of the formal notice of the AGM which accompanies this letter.

Capital Reorganisation

The Company is proposing a reorganisation of its share capital ("**Capital Reorganisation**") which will involve a sub-division and subsequent consolidation of the Company's share capital.

The Board believes that the Capital Reorganisation could:

- improve the liquidity of the Company's shares and increase trading volumes;
- improve investor perception of the Company; and
- improve marketability of the Company's shares.

In addition, the Company's shares are currently trading on AIM at a price which is below their nominal value of one pence per share. The issue of new shares by a company incorporated in England and Wales at a price below their nominal value is prohibited by the Companies Act 2006 and, accordingly, without undertaking the Capital Reorganisation, the ability of the Company to undertake fundraisings in future is restricted.

The Capital Reorganisation will require some amendments to be made to the Company's Articles of Association.

Resolutions will be put to shareholders at the AGM for the purposes of approving the Capital Reorganisation, including approving amendments to the Company's Articles of Association, further details of which are set out in the explanation of the business to be considered at the AGM which is set out at the end of the formal notice of the AGM which accompanies this letter.

Attendance at the AGM in person

Shareholders intending to attend the AGM, should this be possible, are asked to register their intention as soon as practicable by emailing investorrelations@newmarksecurity.com.

Arrangements due to COVID-19

For the health and wellbeing of our shareholders, employees and the general public, we may ask shareholders who attend the AGM in person to confirm that they have not recently developed symptoms of COVID-19 or been exposed to someone who has tested positive for, or is displaying symptoms of, COVID-19. We may also put in place other security measures, including but not limited to, restricting attendance to shareholders and carers accompanying a shareholder (with no other guests being allowed entry), requiring social distancing and the wearing of face coverings and implementing a one-way traffic system. Rules around capacity at the venue and changes in health and safety requirements may also mean shareholders cannot ultimately attend the meeting.

Proxies

As in previous years, the Company is not sending out a hard copy form of proxy with the notice of the AGM. Instead, shareholders are being encouraged to vote online by logging on to www.signalshares.com and following the instructions given.

Alternatively, shareholders can request a hard copy form of proxy by contacting our Registrars, Link Group, on 0371 664 0391 if calling from the United Kingdom, or +44 (0) 371 664 0391 if calling from outside of the United Kingdom, or by emailing Link at shareholderenquiries@linkgroup.co.uk. Calls will be charged at local rate. Calls outside the

United Kingdom will be charged at the applicable international rate. The lines are open between 9:00 a.m. and 5:30 p.m., Monday to Friday, excluding public holidays in England and Wales.

CREST members can utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the notice of the AGM.

Given the uncertainty around whether shareholders will be able to attend the AGM, whether because the capacity at the venue does not allow for safety reasons related to COVID-19 restrictions or due to a change in the situation with the COVID-19 pandemic, shareholders wishing to vote on matters of business are urged to appoint the Chairman of the meeting as their proxy, in accordance with the relevant instructions, and to submit their proxy appointment so as to be received as soon as possible and by no later than 10:00 a.m. on 8 November 2021. This will ensure that your vote will be counted even if attendance at the AGM is restricted or you are unable to attend in person.

Recommendation

The Directors consider that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings of shares in the Company.

The results of the voting on all resolutions will be announced via a Regulatory Information Service and published on our website as soon as practicable following the conclusion of the AGM.

Yours sincerely

Maurice Dwek
Chairman

Newmark Security PLC

(Incorporated and registered in England and Wales under registered number 03339998)

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("**AGM**") of Newmark Security PLC ("**Company**") will be held at Holmes Hotel, 83 Chiltern Street, London W1U 6NF on Wednesday 10 November 2021 at 10:00 a.m.

You will be asked to consider and vote on the resolutions below. Resolutions 1 to 7 and 9 will be proposed as ordinary resolutions and resolutions 8, 10 and 11 will be proposed as special resolutions.

ORDINARY BUSINESS

Ordinary resolutions

1. Annual Report and financial statements

To receive and adopt the Company's annual accounts for the financial year ended 30 April 2021 together with the reports of the Directors and auditor thereon.

2. Rotation and retirement of Director

To re-appoint Terence Yap as a Director of the Company, who is retiring by rotation in accordance with the Articles of Association of the Company.

3. Rotation and retirement of Director

To re-appoint Michel Rapoport as a Director of the Company, who is retiring by rotation in accordance with the Articles of Association of the Company.

4. Rotation and retirement of Director

To appoint Paul Campbell-White as a Director of the Company, who was appointed by the Board since the last annual general meeting of the Company.

5. Appointment of auditor and determination of their remuneration

To re-appoint BDO LLP of 31 Chertsey Street, Guildford, Surrey GU1 4HD as auditor of the Company to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting of the Company at which accounts are laid and to authorise the Directors of the Company to determine their remuneration.

SPECIAL BUSINESS

Ordinary resolutions

6. Sub-division of share capital

THAT, subject to and conditional upon the passing of resolutions 7 and 8 and in accordance with section 618 of the Companies Act 2006 ("**2006 Act**"), with effect from close of business on the date of the AGM every one existing ordinary share of one pence in the issued share capital of the Company be sub-divided into one new ordinary share of 0.1 pence in the capital of the Company ("**Intermediate Ordinary Share**") (such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of one pence each in the capital of the Company as set out in the Company's Articles of Association for the time being) and one new deferred share of 0.9 pence in the capital of the Company ("**Deferred Share**") (such shares having the rights and being subject to the restrictions set out in the Company's Articles of Association as amended pursuant to resolution 8 below) ("**Sub-division**").

7. Consolidation of share capital

THAT, subject to and conditional upon the passing of resolutions 6 and 8 and in accordance with section 618 of the 2006 Act, immediately following completion of the Sub-division every 50 Intermediate Ordinary Shares be consolidated into one ordinary share of five pence in the capital of the Company ("**New Ordinary Share**") (such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of one pence each in the capital of the Company as set out in the Company's Articles of Association for the time being) ("**Consolidation**"), provided that where such consolidation results in any member being entitled to a fraction of a New Ordinary Share, such fraction shall be aggregated and the Directors of the Company be and are hereby authorised to sell such fraction on behalf of the relevant member, save that, where a member's entitlement to a proportion of the net proceeds of such sale is less than £3.00, the net proceeds of such sale will be retained for the benefit of the Company or donated to charity.

Special resolution

8. Amendments to Articles of Association

THAT, subject to and conditional upon the passing of resolutions 6 and 7, with effect from the conclusion of the AGM, the Articles of Association of the Company be amended by:

- 8.1 the deletion of existing article 2.6 of the Company's existing Articles of Association and its substitution with a new article 2.6 as follows:

"Fractions on consolidation

2.6 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular may sell the shares representing the fractions on behalf of relevant member to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members, save that, where a member's entitlement to a proportion of the net proceeds of such sale is less than £3.00, the net proceeds of such sale will be retained for the benefit of the Company or donated to charity. For the purposes of any such sale, the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The person to whom any shares are transferred or delivered shall not be bound to see to the application of the purchase monies nor shall his title to the shares be effected by any irregularity in, or invalidity of, the proceedings relating to the sale."; and

8.2 inserting the following new article 38 at the end of the Company's existing Articles of Association:

"38. Deferred shares

38.1 The deferred shares of 0.9 pence each in the capital of the Company ("**Deferred Shares**") shall rank *pari passu* together as one class and shall have the rights and be subject to the restrictions set out below, namely:

- (a) as regards income the holders of the Deferred Shares shall not be entitled to receive any dividend out of the profits of the Company available for distribution and resolved to be distributed in respect of any financial year or any other income or right to participate therein;
- (b) as regards capital on a distribution of assets on a winding-up or other return of capital (otherwise than on conversion or redemption on purchase by the Company of any of its shares) the holders of the Deferred Shares shall be entitled to receive the amount paid up on their shares after there shall have been distributed (in cash or *in specie*) to the holders of the ordinary shares in the capital of the Company, the amount of £100,000,000 in respect of each ordinary share held by them respectively. For this purpose distributions in currency other than sterling shall be treated as converted into sterling, and the value for any distribution *in specie* shall be ascertained in

sterling, in such manner as the directors of the Company in general meeting may approve. The Deferred Shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company;

- (c) as regards voting the holders of Deferred Shares shall not be entitled to receive notice of or to attend (either personally or by proxy) any general meeting of the Company or to vote (either personally or by proxy) on any resolution to be proposed thereat;
- (d) the Deferred Shares shall not be listed on any stock exchange and shall not be transferable except in accordance with this article 38 or with the written consent of the Board;
- (e) the rights attached to the Deferred Shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares. In addition neither the passing by the Company of any resolution for the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the court nor the obtaining by the Company nor the making by the court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with applicable legislation without sanction on the part of the holders of the Deferred Shares;
- (f) notwithstanding any other provision of these articles, the Company shall have the power and authority at any time to purchase all or any of the Deferred Shares for an aggregate consideration of £1.00;
- (g) the Company shall have irrevocable authority to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer/cancellation of the Deferred Shares and/or an agreement to transfer/cancel the same, without making any payment to the holders of the Deferred Shares, to such person or persons as the Company may determine as custodian thereof and, pending such transfer and/or cancellation and/or purchase, to retain the certificate(s) if any, for such shares;
- (h) the Company may, at its option and subject to compliance with the provisions of applicable legislation, at any time after the

adoption of this article 38, cancel such shares by way of reduction of capital for no consideration; and

- (i) notwithstanding any other provision of these articles, and unless specifically required by the provisions of applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the Deferred Shares."

Ordinary resolution

9. Authority to allot

THAT, in accordance with section 551 of the 2006 Act, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £156,244.10, being equal to just less than 33 per cent. of the nominal amount of New Ordinary Shares in issue if the Sub-division and Consolidation take effect, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of the conclusion of the next following annual general meeting of the Company and 15 months from the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares or grant Rights, but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

Special resolutions

10. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 9 above and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 9, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

- 10.1 be limited to the allotment of equity securities up to an aggregate nominal amount of £46,873.20; and
- 10.2 expire on the earlier of the conclusion of the next following annual general meeting of the Company and 15 months from the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date)

save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

11. Disapplication of pre-emption rights

THAT, subject to the passing of resolution 9 above, in accordance with section 570 of the 2006 Act, and in addition to the power conferred by resolution 10 above, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 9, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

- 11.1 be limited to the allotment of equity securities up to an aggregate nominal amount of £109,370.90; and
- 11.2 expire on the earlier of the conclusion of the next following annual general meeting of the Company and 15 months from the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board
Paul Campbell-White, Company Secretary
Newmark Security PLC
91 Wimpole Street London W1G 0EF
Registered in England and Wales under registered number 03339998
15 October 2021

Notice of annual general meeting notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 8 November 2021 (or if the AGM is adjourned at close of trading on the day two days before the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.
2. Shareholders, or their proxies, intending to attend the AGM in person are requested, if possible, to arrive at the AGM venue at least 20 minutes prior to the commencement of the AGM at 10:00 a.m. (UK time) on 10 November 2021 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
3. A shareholder who is entitled to attend and vote at the AGM is entitled to appoint one or more proxies to exercise all or part of their rights at the AGM. A proxy need not be a shareholder of the Company. You can only appoint a proxy using the procedures set out in these notes.
4. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. You will need to state clearly the number of shares in relation to which the proxy is appointed. If you wish your proxy to speak on your behalf at the AGM you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
6. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.
7. As in previous years, the Company is not sending out a hard copy form of proxy with this Notice. You can appoint a proxy or proxies and give proxy instructions by either:

- Logging on to www.signalshares.com and following the instructions given; or
 - Requesting a hard copy form of proxy directly from the registrars, Link Group, on 0371 664 0391 if calling from the United Kingdom, or +44 (0) 371 664 0391 if calling from outside of the United Kingdom, or by emailing Link at shareholderenquiries@linkgroup.co.uk. Calls will be charged at local rate. Calls outside the United Kingdom will be charged at the applicable international rate. The lines are open between 9:00 a.m. and 5:30 p.m., Monday to Friday, excluding public holidays in England and Wales; or
 - In the case of CREST members, utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
8. In each case the appointment of a proxy must be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL by 10:00 a.m. on 8 November 2021.
 9. In the case of a shareholder which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
 10. Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.
 11. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
 12. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in notes 13 to 15 below) will not prevent a shareholder from attending the AGM and voting in person if he/she wishes to do so. If you have appointed a proxy and attend the AGM in person, your proxy appointment will automatically be terminated.
 13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM (and any adjournment of the AGM) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

14. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID RA10) by 10:00 a.m. on 8 November 2021. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
15. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
16. Shareholders may change proxy instructions by submitting a new proxy appointment. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
17. A shareholder may terminate a proxy instruction, but to do so you will need to inform the Company in writing by either:
 - sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed

(or a duly certified copy of such power or authority) must be included with the revocation notice; or

- sending an email to shareholderenquiries@linkgroup.co.uk.

In either case, the revocation notice must be received by Link Group by 9:00 a.m. on 8 November 2021.

18. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
19. As at 14 October 2021 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 468,732,316 ordinary shares of one pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 14 October 2021 is 468,732,316.
20. A copy of the proposed new Articles of Association of the Company, together with a copy of the existing Articles of Association of the Company marked to show the changes being proposed, will also be available for inspection at the Company's registered office from 15 October 2021 until the conclusion of the AGM.
21. You may not use any electronic address (within the meaning of section 333(4) of the 2006 Act) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Explanation of resolutions

An explanation of each of the resolutions is set out below.

Resolution 1 – Annual Report and financial statements

The Directors are required by law to lay the Company's annual accounts for the financial year ended 30 April 2021, together with the reports of the Directors and auditor thereon, before a general meeting of the Company.

Resolutions 2 to 4 – Rotation and retirement of Director

Under the Company's Articles of Association: (a) the nearest number to, but not greater than, one third of the Directors of the Company (who are not otherwise required to retire); and (b) any Director who has been appointed by the Directors since the last annual general meeting, must retire at the AGM and may offer themselves for re-appointment.

The longest serving Directors must retire or, where they have been in office for the same period of time, the Directors to retire are chosen by lot (unless they otherwise agree among themselves).

Currently the Board has six Directors. Terence Yap has been the longest in office since his appointment or last re-appointment and accordingly he will retire by rotation and offer himself for re-appointment at the AGM. Michel Rapoport has also agreed to retire and offers himself for re-appointment at the AGM.

Paul Campbell-White also retires and stands for re-appointment at the AGM on the basis that he has been appointed since the Company's last annual general meeting.

Resolution 5 – Appointment of auditor and determination of their remuneration

The auditor is required to be re-appointed at each annual general meeting at which the Company's annual accounts are laid. The Directors are proposing the re-appointment of BDO LLP as auditor. This resolution also authorises the Directors to determine the auditor's remuneration.

Resolutions 6 and 7 – Sub-division and consolidation of share capital

Details of the Capital Reorganisation

The Capital Reorganisation will involve:

- a sub-division of the existing ordinary shares of one pence each in the capital of the Company ("**Existing Ordinary Shares**") that will create two classes of shares, Intermediate Ordinary Shares with a nominal value of 0.1 pence and Deferred Shares with a nominal value of 0.9 pence; and

- following completion of the Sub-division, the consolidation of every 50 Intermediate Ordinary Shares into one New Ordinary Share.

Subject to the passing of resolutions 6 and 7, the Capital Reorganisation will take effect at the close of business on the date of the AGM ("**Record Date**").

The proportion of the issued ordinary share capital of the Company held by each shareholder immediately before and after the Capital Reorganisation will remain, save for fractional entitlements, unchanged.

New share issue

To effect the Consolidation, it will be necessary to issue such minimum number of additional Existing Ordinary Shares so that the aggregate nominal value of the ordinary share capital of the Company is exactly divisible by 50. It is therefore expected that 34 Existing Ordinary Shares will be issued at nominal value to the Company Secretary prior to the date of the AGM.

Fractions

No shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Consolidation, any shareholder would otherwise be entitled to a fraction of a New Ordinary Share in respect of their holding of Existing Ordinary Shares at the Record Date (a "**Fractional Shareholder**"), such fractions will be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders may be entitled so as to form full New Ordinary Shares and sold in the market. The costs, including the associated professional fees and expenses, that would be incurred in distributing such proceeds are likely to exceed the total net proceeds distributable to such Fractional Shareholders. The Board is therefore of the view that, as a result of the disproportionate costs in such circumstances, it would not be in the Company's best interests to distribute such proceeds of sale and the proceeds will instead be retained for the benefit of the Company or donated to charity.

The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares. Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those shareholders holding a total of fewer than 50 Existing Ordinary Shares at the Record Date) will cease to be a shareholder of the Company.

Accordingly, shareholders currently holding fewer than 50 Existing Ordinary Shares who wish to remain a shareholder following the Consolidation would need to increase their shareholding to at least 50 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice as appropriate before taking any action.

Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlement to New Ordinary Shares.

Shareholder approval

Shareholder approval is needed in order to effect the Capital Reorganisation. The resolutions to approve the Subdivision (being resolution 9 in the Notice of Annual General Meeting) and the Consolidation (being resolution 10 in the Notice of Annual General Meeting) must each be passed by an ordinary resolution of shareholders in order for the Capital Reorganisation to become effective.

Effect of the Capital Reorganisation on share options

Following the Capital Reorganisation, it is proposed that the number of shares subject to any outstanding share options and the exercise price payable on exercise of such an option will be adjusted by the Board in such manner and with effect from such date as the Board may determine to be appropriate.

The effect of these adjustments will be that, following the Capital Reorganisation, the number of shares subject to any option will decrease broadly to one-fiftieth of their number prior to the Capital Reorganisation whilst the price payable for the exercise of each option will increase broadly by a multiple of 50. There should, therefore, be no material alteration to the current potentially dilutive effects of the options granted under share option schemes.

Notice of the adjustments to the options will be sent to individual optionholders as soon as reasonably practicable following the Capital Reorganisation becoming effective.

ISIN and SEDOL codes

Following the Capital Reorganisation, the ISIN code for the New Ordinary Shares will change to GB00BNYM9W73 and the SEDOL code for the New Ordinary Shares will change to BNYM9W7.

Issued share capital

Immediately following the Capital Reorganisation, the issued share capital of the Company is expected to be 9,374,647 New Ordinary Shares and 468,732,350 Deferred Shares (assuming a further 34 Existing Ordinary Shares are issued at nominal value to the Company Secretary prior to the date of the AGM to effect the Consolidation as described above under the heading "New share issue").

Rights of the New Ordinary Shares and the Deferred Shares

Other than a change in nominal value, the New Ordinary Shares will have the same rights and be subject to the same restrictions as the Existing Ordinary Shares from which they will be derived, including voting, dividend and other rights. Following the Capital Reduction each shareholder will hold 50 New Ordinary Shares for every one Existing Ordinary Share held immediately before the Capital Reorganisation.

The Directors consider that the Deferred Shares will have no effect on the respective economic interests of shareholders.

The Deferred Shares will have no income or voting rights. The only right attaching to a Deferred Share will be to receive the amount paid up on that Deferred Share (i.e. 0.9 pence) on a winding-up of the Company or other return of capital once the holders of New Ordinary Shares have received the amount of £100,000,000 per New Ordinary Share. The Deferred Shares will effectively be valueless.

The Deferred Shares will not be admitted to trading on AIM and will be non-transferable.

The Deferred Shares shall have the rights and be subject to the restrictions set out in the Company's Articles of Association as amended pursuant to resolution 8 in the Notice of Annual General Meeting.

Admission of, and dealings in, the New Ordinary Shares

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and, assuming that resolutions 6 to 8 are passed by shareholders, dealings in the Existing Ordinary Shares are expected to cease at the close of business on 10 November 2021 and dealings in the New Ordinary Shares are expected to commence at 8:00 a.m. on 11 November 2021.

UK tax

The following statements are intended only as a general guide to the current tax position under UK taxation law and practice. They relate only to certain limited aspects of the UK tax position of shareholders who are the beneficial owners of Existing Ordinary Shares and who are resident or (in the case of individuals) ordinarily resident in the UK for tax purposes and who hold their shares in the Company beneficially as an investment (and not as securities to be realised in the course of a trade). The following is not, and is not intended to be, an exhaustive summary of the tax consequences of acquiring, holding and disposing of Existing Ordinary Shares or New Ordinary Shares. A shareholder who is in any doubt as to their tax position or is subject to tax in any jurisdiction other than the UK should consult their duly authorised professional adviser without delay.

Based on current UK tax legislation, the Capital Reorganisation should not be treated as a disposal for the purposes of UK capital gains tax. The Capital Reorganisation should also not be treated as giving rise to any distribution for income tax purposes. After the Capital Reorganisation, the base cost of Existing Ordinary Shares for the purposes of UK capital gains tax should be apportioned between the resulting New Ordinary Shares. If you are in any doubt as to your personal tax status or the effect for tax purposes of the Proposals, you should consult your own professional adviser.

No liability to stamp duty or stamp duty reserve should arise as a result of the Capital Reorganisation.

Share certificates

If you hold a share certificate in respect of your Existing Ordinary Shares, your certificate will no longer be valid from the time the proposed Consolidation becomes effective and will be cancelled. If you hold more than 50 Existing Ordinary Shares on the Record Date you will be sent a new share certificate evidencing the New Ordinary Shares to which you are entitled following the Capital Reorganisation. Such certificates are expected to be despatched by no later than 24 November 2021. Upon receipt of the new certificate, shareholders should destroy any old certificates. Pending the despatch of the new certificates, transfers of certificated New Ordinary Shares will be certified against the Company's share register.

No share certificates will be issued in respect of the Deferred Shares.

Uncertificated shares

If you hold your Existing Ordinary Shares in uncertificated form, you should expect to have your CREST account credited with the New Ordinary Shares to which you are entitled on implementation of the Capital Reorganisation on 11 November 2021 or as soon as practicable after the Capital Reorganisation becomes effective.

Resolution 8 – Amendments to Articles of Association

Under resolution 8, the Company is proposing to amend its Articles of Association to facilitate the Capital Reorganisation.

The first limb of resolution 8 amends article 2.6 of the Company's Articles of Association so as to enable the Company to retain the proceeds of sale of fractional entitlements arising as a result of the Consolidation for the benefit of the Company or to donate them to charity rather than incur the disproportionate costs, including the associated professional fees and expenses, that would be incurred in distributing such sale proceeds.

The second limb of resolution 8 sets out the rights attaching to the Deferred Shares arising on the Sub-division, further details of which are set out above.

A copy of the proposed new Articles of Association of the Company, together with a copy of the existing Articles of Association of the Company marked to show the changes being proposed, will be available for inspection at the Company's registered office from 15 October 2021 until the conclusion of the AGM.

Resolution 9 – Authority to allot

This resolution deals with the Directors' authority to allot shares and grant Rights in accordance with section 551 of the 2006 Act.

If passed, the resolution will authorise the Directors to allot shares and grant Rights up to a maximum aggregate nominal amount of £156,244.10, being equal to just less than 33 per

cent. of the nominal amount of New Ordinary Shares in issue if the Sub-division and Consolidation take effect.

The authority granted by this resolution will expire on the earlier of the conclusion of the next following annual general meeting of the Company and 15 months from the passing of this resolution.

Passing this resolution will allow the Directors flexibility to act in the best interests of the Company's shareholders when opportunities arise.

Resolution 10 – Disapplication of pre-emption rights

This resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 9, to allot equity securities (as defined by section 560 of the 2006 Act) without first offering them to existing shareholders in proportion to their existing holdings up to a maximum aggregate nominal amount of £46,873.20, which represents just less than 10 per cent. of the nominal amount of New Ordinary Shares in issue if the Sub-division and Consolidation take effect.

The authority granted by this resolution will expire on the earlier of the conclusion of the next following annual general meeting of the Company and 15 months from the passing of this resolution.

Passing this resolution will allow the Directors flexibility to act in the best interests of the Company's shareholders when opportunities arise.

Resolution 11 – Disapplication of pre-emption rights

This resolution will, if passed, give the Directors power, pursuant to the authority to allot granted by resolution 9, to allot equity securities (as defined by section 560 of the 2006 Act) without first offering them to existing shareholders in proportion to their existing holdings up to a maximum aggregate nominal amount of £109,370.90, which represents approximately 23 per cent. of the nominal amount of New Ordinary Shares in issue if the Sub-division and Consolidation take effect. This resolution is in addition to the power sought pursuant to resolution 10.

The authority granted by this resolution will expire on the earlier of the conclusion of the next following annual general meeting of the Company and 15 months from the passing of this resolution.

In light of the trading update announced by the Company on the date of this Notice, the Company is seeking this additional authority in order to enable the Company to act quickly in response to market conditions should it become necessary to do so. The Directors consider it desirable to have the flexibility to issue new shares at short notice, without the need to incur the cost and delay of convening a general meeting of the Company to seek specific authority

for each allotment, to enable the Company to act in the best interests of the Company's shareholders when opportunities arise.