

DCI ADVISORS LTD

("DCI" or the "Company")

GENERAL MEETING UPDATE

Introduction

On 8 November 2024, pursuant to a circular to shareholders of that same date (the "**Circular**") the Board of DCI convened an EGM for 12 December 2024 to consider and if thought fit pass three resolutions:

Resolution 1, which was proposed as a Special Resolution, relates to: (a) the de-registering of the Company as a BVI company limited by shares and the re-registering of the Company as a company limited by shares under Guernsey law; and (b) the migration process and affirmation of the name of the Company, the adoption of the Guernsey Articles and the change of registered office of the Company (the "Re-domicile").

Resolution 2, which is conditional upon the passing of Resolution 1, was proposed as an Ordinary Resolution, relates to a general authority for the Company to make repurchases of its Ordinary Shares in accordance with standard practice for listed companies, this authority to be limited to 14.99 per cent. of the issued share capital of the Company. This authority will expire at the Company's annual general meeting in 2025 and the Directors intend to apply for a further authority at that meeting.

Resolution 3, which is conditional on the passing of Resolution 1, was proposed as an Ordinary Resolution, authorises the Company to create and fund the ESOP in accordance with the ESOP rules summarised in Appendix 2 of this Circular.

All capitalised terms referenced in this letter shall have the meaning given in the Circular unless expressly stated otherwise.

Since the Circular was issued the DCI Board has held discussions with a number of shareholders who have requested that Resolution 3 is re-cast so that it is no longer conditional on the passing of Resolution 1.

The Board is particularly concerned that the failure to Re-domicile DCI to Guernsey by the end of December 2024 will be contrary to the interests of Shareholders as a whole as the tax liabilities that may arise from DCI remaining domiciled in the BVI are substantial, and may also incur an obligation to pay interest and penalties as well. Such an increase in DCI's liabilities to third parties will materially reduce the Company's net asset value and ultimately materially reduce distributions to Shareholders as when assets are sold any tax liabilities, interest and penalties will need to be settled before returning any capital to Shareholders.

Accordingly, after consultation with its legal counsel and following representations from Shareholders, the Board has resolved to adjourn the EGM convened for 12 December 2024 and to issue a notice of extraordinary general meeting for 10am on 19 December 2024 (to be held at 55 Athol Street, Douglas, Isle of Man, IM1 1LA). The agenda for this extraordinary general meeting will be the same as that for the 12 December EGM except that the passing of Resolution 3 will no longer require that Resolution 1 also passes.

The impact of this change means that Shareholders who wish to vote against the ESOP but wish to support the Re-domicile will no longer feel obliged to vote against the Re-domicile to enable their views to be heard on the question of the ESOP. Shareholders are therefore able to consider the proposal to Re-domicile on its own merits and vote accordingly.

Further, the Board wishes to make it clear that it is their intention to place the Company's finances on a stable footing before the ESOP is funded, including ensuring that the outstanding Shareholder loans are repaid or the cash to repay those due for repayment in 2025 is reserved. The Board has therefore resolved that the ESOP will only be funded after at least €10 million has been received from asset sales and then will only be funded from any excess cash receipts over that figure.

The revised notice of extraordinary general meeting is attached to the circular which is being sent to shareholders.

Recommendation

The Board continues to believe that approval of the Resolutions is in the best interests of the Company and urges Shareholders to vote in favour of them at the 19 December 2024 extraordinary general meeting. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the EGM as they intend to do in respect of the 2,884,487 Ordinary Shares held by them, which represent 0.32 per cent. of the Company's issued share capital, noting they are excluded from voting on matters related to the ESOP.

Definitions used in the Circular issued on 8 November 2024 have been used in this circular.

Enquiries

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