

The following amendment has been made to the 'Posting of Circular and Notice of General Meeting' announcement released on 17 December 2024 at 7:00 a.m. under RNS No 3157Q.

Under the heading 'Capital Reorganisation', the Consolidated Shares were stated to have a nominal value of £0.10 each. The nominal value should have been stated as £0.20 each, as set out below:

- (ii) **Share Consolidation:** consolidate every 200 Existing Ordinary Shares held into one ordinary share of £0.20 each (the "**Consolidated Shares**"); and

The details outlined in the Circular posted to shareholders and on the Company website are correct. All other details remain unchanged.

The full amended text of the announcement is set out below..

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THIS ANNOUNCEMENT DOES NOT CONSTITUTE OR CONTAIN ANY INVITATION, SOLICITATION, RECOMMENDATION, OFFER OR ADVICE TO ANY PERSON TO SUBSCRIBE FOR, OR OTHERWISE ACQUIRE, ANY SECURITIES OF THE COMPANY.

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 WHICH FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"). UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN. IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF CERTAIN OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION, AS PERMITTED BY MAR. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

17 December 2024

Blue Star Capital plc

("Blue Star" or the "Company")

Posting of Circular and Notice of General Meeting

Proposed Capital Reorganisation

Conditional Subscription for 7,500,000 New Ordinary Shares at an Issue Price of £0.02 per New Ordinary Share

Proposed Amendment to the Articles of Association

Surrender and Issue of Warrants

Blue Star Capital plc (AIM: BLU), the investing company with a focus on esports and blockchain and its applications within gaming and payments, today announces the posting of a circular to all Shareholders containing a notice of general meeting and form of proxy, seeking shareholder approval for a capital reorganisation, proposed amendment to the Articles of Association, and conditional subscription to raise £150,000 via the issue of 7,500,000 New Ordinary Shares of £0.001 per ordinary share at an Issue Price of £0.02 per share (the "**Subscription**") (together the "**Circular**").

The General Meeting is due to be held at the offices of Cairn Financial Advisers LLP, at 80 Cheapside, London, EC2V 6EE, at 10:00 a.m. on 6 January 2025.

Background to the Capital Reorganisation and Subscription

On 28 September 2022 the Company announced that it had undertaken a review of its investments and operating structure. From the review, the Board noted the significant difference between the share price and the net asset value ("NAV") per share being reflected in the market. The Board, therefore, considered that it should seek to exit from its two larger investments, being Let's Play Live (then, Dynasty Gaming and Media PTE Ltd. ("Dynasty")) and SatoshiPay Limited ("SatoshiPay"), cut all non-essential costs and fund the Company in the interim, insofar as possible, from the sale of non-core assets.

The Company announced its full year results for the 12 months to 30 September 2023 in March 2024. In these results, the Company reported a £6.3 million loss for the year, predominantly due to the write down the value of its investment in Dynasty and Sthaler Limited. Whilst these impairments did not affect the Company's cash position, the price of the Company's shares continued to fall.

In the period since the publication of its annual results to 30 September 2023, the Company has provided further market updates on its investee companies, primarily developments with Dynasty and SatoshiPay. On 7 October 2024, the Company provided an update on its portfolio of investee companies and a trading update, which highlighted that the sale process of SatoshiPay had suffered continual delays in 2024. Further to this, Vortex, a decentralised exchange platform incubated by SatoshiPay, required additional funding. Whilst the Board still believes that a successful launch and funding round for Vortex could materially enhance the valuation of SatoshiPay, there is no certainty of when this may be completed. The Board has indicated its interest in participating in any fundraising undertaken by SatoshiPay subject to it being able to raise sufficient funding to allow it to do so.

In the Half-yearly Results for the six months ended 31 March 2024, announced on 27 June 2024, the Company stated that it had approximately £40,000 in cash and cash equivalents. Since that date, the Company has not raised any further capital and, in line with its public statements, has been operating from a severely financially constrained position. The Board has been carefully monitoring the Company's cash position, minimising the expenses of operating the Company wherever possible, including the Directors' fees and expenses, to such that from the period 1 February 2024 to 30 September 2024, the Company has not incurred any further capital expenditure.

possible, including the Directors forgoing taking any salaries in cash from the period 1 February 2024 to 30 September 2024 with the hope of reaching a position of greater certainty regarding SatoshiPay's value

Under the Companies Act 2006, the Company is prohibited from issuing new shares below their nominal value of 0.1 pence per share. With the Company's current share price trading at approximately 0.02 pence (as at 16 December 2024), this restriction will prevent the Company from raising additional equity investment to meet working capital needs and support its portfolio of investments. The Capital Reorganisation seeks to reduce the number of shares in issue by consolidating the number of ordinary shares in issue and subsequently separating the consolidated shares into ordinary shares and a class of deferred shares with minimal rights. The effect of this Capital Reorganisation will be to reduce the share issue, repricing the current share price to a higher level and maintaining the nominal value of the Company's ordinary shares.

Capital Reorganisation

The Directors are proposing a capital reorganisation by way of:

- (i) **Rounding Share Capital** The issue of five (5) new ordinary shares ("**Rounding Shares**"), resulting in an issued ordinary share capital of 5,092,773,000 ordinary shares
- (ii) **Share Consolidation**: consolidate every 200 Existing Ordinary Shares held into one ordinary share of £0.20 each (the "**Consolidated Shares**"); and
- (iii) **Share Subdivision and Share Reclassification** subdivide and reclassify each Consolidated Share into 199 Deferred Shares and one New Ordinary Share of £0.001 each.

The effects of the capital reorganisation will be to consolidate the number of shares in issue from 5,092,773,000 to 25,463,865, which will increase the Company's share price by a factor of 200, whilst maintaining the current nominal value per share of £0.001 each.

Conditional Subscription

Contingent on the Resolutions being passed at the General Meeting, the Company has conditionally raised £150,000 via a subscription for 7,500,000 New Ordinary Shares of £0.001 each at an Issue Price of £0.02 per New Ordinary Share. The proceeds of the Subscription will be used to participate in further funding rounds both for either SatoshiPay Limited ("**SatoshiPay**"), or Vortex, a decentralised exchange platform incubated by SatoshiPay, and support general working capital costs of the Company.

Surrender and Issue of Director Warrants and Fee Warrants

Contemporaneously with the Capital Reorganisation, the Board of the Company has elected to cancel all warrants over ordinary shares in the Company currently granted to the Directors ("**Existing Director Warrants**"). In order to maintain sufficient levels of cash during this constrained period, the Board has elected to grant 2,500,000 warrants over ordinary shares to the Directors, in lieu of Director cash salaries for the period from 1 October 2024 to 31 December 2025 ("**New Director Warrants**"). The details of the New Director Warrants are set out below. The figures have been calculated on a post Capital Reorganisation basis:

Warrantholder	No. of warrants cancelled	No. of new warrants granted	New warrant exercise price (£)	Warrants granted as percentage of proposed enlarged issued share capital
Anthony Fabrizi	170,000,000	2,000,000	£0.02	6.07%
Sean King	30,000,000	500,000	£0.02	1.52%
Total	200,000,000	2,500,000		

In addition, the Board of Directors has elected to grant 750,000 warrants over ordinary shares in the Company to a certain adviser to the Company ("**Adviser Warrants**") at an exercise price of £0.02p. These have been issued in lieu of retainer fees.

Both the New Director Warrants and the Adviser Warrants allow the holder to subscribe for ordinary shares in the Company, on a one to one basis, at an exercise price of £0.02 for an exercisable period of two years from the date of the General Meeting. The New Director Warrants and the Adviser Warrants are not subject to any other performance criteria.

Existing Warrants

Following the Capital Reorganisation, the warrants granted to shareholders following the capital raise in January 2024 ("**Existing Warrants**") will be amended on the basis as set out in the table below:

	<i>At present*</i>	<i>Proposed</i>	<i>Nominal</i>
Number of Existing Warrants	100,000,000	100,000,000	£0.001
Exercise price	0.1p	20p	£0.001
Exercise ratio	1:1	200:1†	£0.001

* does not include the Existing Director Warrants or New Director Warrants

† exercise ratio denotes the number of warrants following the Capital Reorganisation required to be exercised in order to grant one new ordinary share

Related Party Transaction

Nick Slater, a substantial shareholder in the Company, who currently holds approximately 11.44% of the Company's issued share capital, has subscribed to purchase 1,750,000 ordinary shares as a part of the Subscription. As a substantial shareholder, that being a person who holds over 10% of an issuer's issued share capital, this subscription is a related party transactions pursuant to the AIM Rules for Companies. The Directors of the Company consider, having consulted with its nominated adviser, Cairn Financial Advisers LLP, that the terms of the subscription by Nick Slater is fair and reasonable, insofar as its shareholders are concerned.

Prospective Admission to AIM and Total Voting Rights

In the event that all of the Resolutions are passed at the General Meeting, application will be made for Admission of the 7,500,000 Subscription Shares, which will rank pari passu with the Company's existing ordinary shares. It is expected that Admission will become effective and that dealings will commence at 08.00 am on or around 8 January 2025.

Following Admission, the Company's enlarged issued share capital ("**Enlarged Issued Share Capital**") will comprise 32,963,865 ordinary shares of £0.001 each with voting rights in the Company. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in the interest in, the share capital of the Company under the FCA's Disclosure and Transparency

Rules.

An extract from the circular can be found at the end of this announcement, comprising the Expected Timetable of Events and the Letter from the Chairman of the Company. The full Circular, together with supporting documents, will be available from the Company's website, <https://bluestarcapital.co.uk/>, later today.

Capitalised terms in this announcement have the meaning ascribed to them in the Definitions section of the Circular.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation. The Directors of the Company take responsibility for this announcement.

For further information please contact:

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About Blue Star

Blue Star is an investing company with a focus on new technologies. Blue Star's investments include SatoshiPay Limited, an experienced blockchain company with a strong track record in innovative payment solutions; Lets Play Live, whose B2B white label platform is a full-stack gaming ecosystem; Paidia, a female focussed gaming platform; and Sthaler Limited, an identity and payments technology business which enables a consumer to identify themselves and pay using just their finger.

Extracts from the Circular

EXPECTED TIMETABLE OF EVENTS

Publication and posting to Shareholders of this document 17 December 2024

Latest time for receipt of Forms of Proxy for the General Meeting 10:00 a.m. on 2 January 2025

General Meeting 10:00 a.m. on 6 January 2025

On or around:

Record date for the consolidation, subdivision and reclassification of the Existing Ordinary Shares 6:00 p.m. on 6 January 2025

Admission of the New Ordinary Shares and the Subscription Shares 8:00 a.m. on 8 January 2025

CREST accounts credited with the New Ordinary Shares Shortly after 8:00 a.m. on 8 January 2025

Dispatch of definitive share certificates in respect of the New Ordinary Shares No later than 20 January 2025

The dates and times given are indicative only and are based on the Company's current expectations. As at the date of posting, certain dates above need to be agreed and, therefore, may be subject to change. If any of the expected times and/or dates above change, the revised times and/or dates will be notified to the Shareholders by announcement through a Regulatory Information Service.

All references to time in this document are to London (UK) time.

LETTER FROM THE CHAIRMAN OF THE COMPANY

1. Introduction

The purpose of this document is to explain the details of, and reasons for, the Capital Reorganisation and Subscription that the Directors are proposing to undertake. To be implemented, both the Capital Reorganisation and the Subscription will require the approval of Shareholders at the General Meeting. Accordingly, at the end of this document, is a notice convening a general meeting of the Company to consider and, if thought fit, approve the Capital Reorganisation, the making of consequential amendments to the Articles and the granting of share authorities in order to allow the Directors to

complete the Subscription.

2. Background to and reasons for the Capital Reorganisation and Subscription

On 28 September 2022, the Company announced that it had undertaken a review of its investments and operating structure. From the review, the Board noted the significant difference between the share price and the net asset value ("NAV") per share being reflected in the market. The Board, therefore, considered that it should seek to exit from its two larger investments, being Let's Play Live (then, Dynasty Gaming and Media PTE Ltd. ("Dynasty")) and SatoshiPay Limited ("SatoshiPay"), cut all non-essential costs and fund the Company in the interim, insofar as possible, from the sale of non-core assets.

The Company announced its full year results for the 12 months to 30 September 2023 in March 2024. In these results, the Company reported a £6.3 million loss for the year predominantly due to the write down the value of its investment in Dynasty and Sthaler Limited. Whilst these impairments did not affect the Company's cash position, the price of the Company's shares continued to fall.

In the period since the publication of its annual results to 30 September 2023, the Company has provided further market updates on its investee companies, primarily developments with Dynasty and SatoshiPay. On 7 October 2024, the Company provided an update on its portfolio of investee companies and a trading update, which highlighted that the sale process of SatoshiPay had suffered continual delays in 2024. Further to this, Vortex, a decentralised exchange platform incubated by SatoshiPay, required additional funding. Whilst the Board still believes that a successful launch and funding round for Vortex could materially enhance the valuation of SatoshiPay, there is no certainty of when this may be completed. The Board has indicated its interest in participating in any fundraising undertaken by SatoshiPay subject to it being able to raise sufficient funding to allow it to do so.

In the Half-yearly Results for the six months ended 31 March 2024, announced on 27 June 2024, the Company stated that it had approximately £40,000 in cash and cash equivalents. Since that date, the Company has not raised any further capital and, in line with its public statements, has been operating from a severely financially constrained position. The Board has been carefully monitoring the Company's cash position, minimising the expenses of operating the Company wherever possible, including the Directors forgoing taking any salaries in cash from the period 1 February 2024 to 30 September 2024 with the hope of reaching a position of greater certainty regarding SatoshiPay's value. As stated in previous announcements, the value of the Company is inextricably linked to the value of SatoshiPay, as it accounts for approximately 90% of the Company's NAV.

Despite its recent challenges and the write-down of some of its investments in the portfolio, the Board recognised that the Company's NAV per share remained significantly higher than the current market capitalisation. At the time of publication of this document, the close price was 0.02 pence per share, representing a market capitalisation of approximately £1.1 million. As of the latest reporting period ended 31 March 2024, the NAV was approximately £5.27 million, representing a NAV per share of approximately 0.1 pence, highlighting a material disconnect to the current share price.

Under the Companies Act 2006, the Company is prohibited from issuing new shares below their nominal value of 0.1 pence per share. With the Company's current share price trading at approximately 0.02 pence (as at 16 December 2024), this restriction will prevent the Company from raising additional equity investment to meet working capital needs and support its portfolio of investments. The Capital Reorganisation seeks to reduce the number of shares in issue by consolidating the number of ordinary shares in issue and subsequently separating the consolidated shares into ordinary shares and a class of deferred shares with minimal rights. The effect of this Capital Reorganisation will be to reduce the number of shares in issue, repricing the current share price to a higher level and maintaining the nominal value of the Company's ordinary shares.

Subscription

Conditional on the Resolutions being passed at the General Meeting, the Company has raised £150,000 via a Subscription for 7,500,000 new ordinary shares of £0.001 each at an subscription price of £0.02 per New Ordinary Share ("**Subscription Shares**").

Warrants

Contemporaneously with the Capital Reorganisation, the Board has elected to cancel all warrants over ordinary shares in the Company currently granted to the Directors ("**Existing Director Warrants**"). In order to maintain sufficient levels of cash during this period, the Board has elected to grant 2,500,000 warrants over ordinary shares to the Directors for

during this constrained period, the Board has elected to grant 2,500,000 warrants over ordinary shares to the Directors, in lieu of Director cash salaries for the period from 1 October 2024 to 31 December 2025 ("**New Director Warrants**").

Warrantholder	No. of warrants cancelled	No. of new warrants granted	New warrant exercise price (£)	Warrants granted as percentage of enlarged issued share capital
Anthony Fabrizi	170,000,000	2,000,000	£0.02	6.07%
Sean King	30,000,000	500,000	£0.02	1.52%
Total	200,000,000	2,500,000		

Note that the figures have been calculated on a post Capital Reorganisation basis. The 50,000,000 warrants granted to Brian Rowbotham on 30 January 2023 have also been cancelled.

Board Opinion

The Board believes that the successful implementation of the Capital Reorganisation and Subscription will help stabilise the Company's financial position through raising funds and allow it to participate in follow-on funding rounds for SatoshiPay and Vortex, in addition to providing the Company with further working capital.

The Board is committed to carefully managing the Company's cash, however, wishes to reiterate that should the Company be unable to complete the Capital Reorganisation and the Subscription, it would be left with a limited pool of alternative options and would likely result in the Existing Ordinary Shares ceasing to trade and subsequently, the Company withdrawing from AIM. The Board does not believe that this would be in the best interest of Shareholders. Against this background, the Company is, therefore, seeking Shareholder approval now for the Capital Reorganisation as set out in this document.

3. The Capital Reorganisation

Companies Act 2006 prohibits the issue of shares at a price below their nominal value. In such situations, companies typically seek to reorganise their capital structures with the effect of lowering the nominal value of their shares. In this instance, the Company is also looking to increase its share price, maintain the nominal value of its ordinary shares and reduce the number of shares in issue. At present, the issued ordinary share capital of the Company comprises 5,092,772,995 Ordinary Shares of £0.001 each.

The Directors are proposing a capital reorganisation by way of:

- (i) **Rounding Share Capital** The issue of five (5) new ordinary shares ("**Rounding Shares**"), resulting in an issued ordinary share capital of 5,092,773,000 ordinary shares
- (i i) **Share Consolidation**: consolidating every 200 Existing Ordinary Shares held on the Record Date into one ordinary share of £0.20 each (the "**Consolidated Shares**")
- (i i i) **Share Subdivision and Share Reclassification** subdivide and reclassify each Consolidated Share into 199 Deferred Shares and one New Ordinary Share of £0.001 each

Each of the proposals set out in (i) and (ii) above is to be effected by the passing of Resolution 1 to be proposed at the General Meeting.

To illustrate the effect of the Capital Reorganisation and the Subscription see the table below:

	<i>At present*</i>	<i>Proposed</i>	<i>Nominal</i>
Issued Share Capital	5,092,772,995	-	£0.001
Adjusted Issued Share Capital	-	5,092,773,000	£0.001
Consolidated Issued Share Capital	-	25,463,865	£0.020
Number of Deferred Shares	-	5,067,309,135	£0.001
Reclassified Issued Share Capital	-	25,463,865	£0.001
Indicative share price	0.02p	4.0p	£0.001
Subscription			
Number of Subscription Shares	-	7,500,000	£0.001

Enlarged Issued Share Capital	-	32,963,865	£0.001
Number of Existing Warrants	100,000,000	100,000,000	£0.001
Exercise price	0.1p	20p	£0.001
Exercise ratio	1:1	200:1	£0.001

**does not include the Existing Director Warrants or New Director Warrants*

The number of Warrants will be subject to individual holdings and the deduction of fractional entitlements.

The New Ordinary Shares will have the same rights as the Existing Ordinary Shares including voting, dividend and other rights.

It is likely that the Consolidation will result in fractional entitlements to a New Ordinary Share where any holding is not precisely divisible by 200. No certificates will be issued for fractional entitlements to New Ordinary Shares. Shareholders with a shareholding of less than 200 Existing Ordinary Shares will not be entitled to any Consolidated Shares and Shareholders with a holding in excess of 200 Existing Ordinary Shares, but which is not exactly divisible by 20 will have their holding in the Consolidated Shares rounded down to the nearest whole number. For example, a Shareholder holding 220 Existing Ordinary Shares would receive 1 Consolidated Share with his fractional entitlement of 20 Existing Ordinary Shares being aggregated with fractional entitlements from other Shareholders and sold in the marketplace with the proceeds being retained by the Company.

The Deferred Shares will have no right to vote and a very limited right to participate in the capital of the Company save in respect of insolvency and the Company will not issue any certificates or credit CREST accounts in respect of them. The Deferred Shares will not be admitted to trading on any exchange.

4. Amendment to the Articles

As a consequence of the Share Capital Reorganisation, a resolution will be proposed at the General Meeting to amend the Articles by the inclusion of the share rights attaching to the Deferred Shares.

Resolution 3 has been proposed to Shareholders as a special resolution to amend the Articles and a copy of the Company's existing articles and proposed amendment to the Articles can be found on the Company's website, <https://bluestarcapital.co.uk/>.

The Deferred Shares will have limited rights which will be set out in the amended Articles. The amended Articles will also be available for inspection at the General Meeting at least 15 minutes prior to the start of the General Meeting and up until the close of the General Meeting.

5. Dealing and Settlement

The Capital Reorganisation will be effected by reference to Shareholders and their holdings of Existing Ordinary Shares on the register as at the close of business on the Record Date and is conditional on permission being granted by the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM.

Subject to the Resolutions being passed, it is expected that dealings in and settlement in CREST of the Existing Ordinary Shares will continue until the close of business on 6 January 2025 when, in the case of Existing Ordinary Shares held in certificated form, the register will be closed for transfers. The registration of uncertificated holdings in respect of Existing Ordinary Shares will be disabled. It is expected that Admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence at 8:00 a.m. on 8 January 2025.

It is intended that new share certificates will be sent to Shareholders, who hold their shares in certificated form, following Admission. These new share certificates will set out the number of New Ordinary Shares owned by a Shareholder on completion of the Capital Reorganisation and will replace existing share certificates. Definitive certificates for the New Ordinary Shares to be issued in certificated form are expected to be dispatched by post no later than 20 January 2025. Temporary documents of title will not be issued. Pending dispatch of definitive share certificates, transfers of New Ordinary Shares held in certificated form will be certified against the register held by Link Group. Shareholders who hold their Existing Ordinary Shares in uncertificated form are expected to have their CREST accounts credited with the New Ordinary Shares as soon as possible after 8:00 a.m. on 8 January 2025.

In the event the Resolutions are passed and the Company is required to apply for a new ISIN and SEDOL, the details of this

will be announced by a regulatory news service in due course.

6. Overseas Shareholders

The implications of the Capital Reorganisation on Overseas Shareholders may be affected by the laws of their respective jurisdictions. Overseas Shareholders should inform themselves about and observe all applicable legal requirements in such jurisdictions. It is the responsibility of Overseas Shareholders to satisfy themselves as to the full observance of the laws of each relevant jurisdiction in connection with the Capital Reorganisation, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with other necessary formalities which are required to be observed and/or the payment of any taxes due in each jurisdiction. Overseas Shareholders who are in any doubt about their position should consult their professional advisers in the relevant territory.

7. Taxation

The Directors have been advised that for the purposes of UK taxation of chargeable gains, the receipt of the New Ordinary Shares arising from the Capital Reorganisation should not be treated as a shareholder having made a disposal of all or part of his holding of Existing Ordinary Shares by reason of the Capital Reorganisation.

8. General Meeting

Your attention is drawn to the notice convening the General Meeting of the Company, set out at the end of this document, to be held at 10:00 a.m. on 6 January 2025. At the General Meeting the following Resolutions will be proposed, of which, Resolutions 1, 2 and 4 shall be proposed as ordinary resolutions and Resolution 3 and 5 shall be proposed as special resolutions.

1. Resolution 1: Issue and Consolidation of Share Capital

THAT, subject to the approval of Resolutions 2 and 3, in accordance with section 618 of the Act, five (5) New Ordinary Shares will be issued, having a nominal value of £0.001 (0.1p) each in the capital of the Company. The resultant 5,092,773,000 shares in issue be consolidated into 25,463,865 ordinary shares having a nominal value of £0.20 (20p) (such that every, 200 ordinary shares having a nominal value of £0.001 each, will be consolidated into one ordinary share having a nominal value of £0.20 each), such shares having the rights and restrictions set out in the Articles and that fractions of issued shares arising on consolidation be aggregated and sold and the proceeds retained by the Company.

2. Resolution 2: Sub-Division and Reclassification of Shares

THAT, subject to the approval of Resolutions 1 and 3, in accordance with section 618 of the Act, each ordinary share of £0.20 each in the capital of the Company be and it is sub-divided and reclassified into one (1) ordinary share of £0.001 each and one hundred and ninety-nine (199) deferred shares of £0.001 each in the capital of the Company, with each share having the rights and restrictions set out in the Articles.

3. Resolution 3: Amendment to the Articles

THAT, subject to and conditional upon the passing of Resolutions 1 and 2 above, with effect from the conclusion of the General Meeting, the Articles be amended by the insertion of a new Article 146 which sets out the rights attached to the Deferred Shares.

4. Resolution 4: Share Authorities

That, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all or any part of the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares of the Company up to an aggregate nominal amount of £500,000 such authority (unless previously revoked or varied) to expire at the conclusion of the annual general meeting of the Company to be held in 2025, save that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

5. Resolution 5: Share Authorities

That, subject to the passing of Resolution 4, the Directors be and are hereby granted power pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred on them by Resolution 5 above as if section 561 of the Act did not apply to such allotment, provided that such power be limited to:

- i) the allotment of equity securities which are offered to all the holders of equity securities of the Company (at a date specified by the directors) where the equity securities respectively attributable to the interests of such holders are as nearly practicable in proportion to the respective number of equity securities held by them, but subject to such exclusions and other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements and any legal or practical problems under any laws or requirements of any regulatory body or stock exchange in any territory or otherwise; and
- ii) the allotment (otherwise than pursuant to subparagraph (i) above) of equity securities up to an aggregate nominal amount of £500,000, and provided that this power shall expire on the conclusion of the next annual general meeting of the Company to be held in 2025, save that the Company may make an offer or enter into an agreement before the expiry of that date which would or might require equity securities to be allotted after that date and the directors may allot equity securities in pursuance of such an offer as if the power conferred hereby had not expired

9. Action to be taken

You will find enclosed with this document a Form of Proxy in respect of the General Meeting.

Whether or not you propose to attend the General Meeting in person, you are asked to complete the Form of Proxy and return it to the Company's registrars, Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL or by email at shareholderenquiries@linkgroup.co.uk, so as to arrive as soon as possible, but in any event, so as not to be received any later than 10:00 a.m. on 2 January 2025.

Completion and return of the Form of Proxy will not preclude you from attending and voting at the General Meeting in person if you wish.

10. Recommendation

The Directors unanimously consider that the Capital Reorganisation and the Subscription is in the best interests of the Company and the Shareholders as a whole.

Accordingly, your Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings which, in aggregate, amount to 18,250,000 Existing Ordinary Shares, representing approximately 0.36 per cent. of the Company's existing issued ordinary share capital.

Yours faithfully,

Anthony Fabrizi, Executive Chairman

Forward looking statement disclaimer

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholder holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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