

28 January 2025



("Virgin Wines", the "Company" or the "Group")

Notice of General Meeting, Proposed Share Buyback and Rule 9 Waiver

Virgin Wines UK plc (AIM: VINO), one of the UK's largest direct-to-consumer online wine retailers, announces today that it has posted to shareholders a shareholder circular (the "Circular") and Notice of General Meeting ("GM"). Copies of both are available on the Company's website at www.virginwinesplc.co.uk or by request. They are also available on request from the Company at its registered office.

The GM will be held in person at 9:00 a.m. on Monday 24 February 2025 at the Tickled Trout Hotel, Preston New Road, Samlesbury, Preston, PR5 0UJ.

Proposed Share Buyback and Rule 9 Waiver

The Company has historically sought and received approval from its Shareholders to make market purchases of its own shares. The most recent authority being granted at the Company's Annual General Meeting ("AGM") on 23 December 2024. This permitted the Company to launch a share buyback programme in respect of up to 8,395,861 Ordinary Shares (rounded up to the nearest whole share) in aggregate (being up to 15% of the current number of Ordinary Shares in issue) (the **Share Buyback Programme**).

However, despite the authority having already been granted, the Company is restricted from using it owing to a Concert Party being interested in more than 30% but less than 50% of the total voting rights of the Company. Therefore, any purchase of its own shares under the buyback authority would be liable to trigger an obligation for the Concert Party to make an offer, in cash, for the entire issued share capital of the Company, under Rule 9 of the City Code.

The purpose of the Circular is to provide information on the background to and reasons for the proposals and to explain why the Board considers such proposals to be in the best interests of the Company and the Shareholders as a whole and why the Independent Directors unanimously recommend that you vote in favour of the Waiver Resolution to be proposed at the General Meeting

The Company continues to generate cash and held an audited net cash balance of £10.3m as at 28 June 2024, having increased approximately £4.8m in the year ended 28 June 2024. The Company has a strong balance sheet with no debt. The Board continually reviews the Company's capital allocation policy and options include investment in organic growth, M&A, initiating a dividend policy and implementing this new Share Buyback Programme.

The Company's intention is that the Share Buyback Programme will be used to satisfy options exercised under the LTIP. In addition, as part of the Company's capital allowance review as noted above, the Company also intends to use the Share Buyback Programme as a mechanism to return surplus cash to investors.

The Waiver Resolution proposes to approve the waiver conditionally granted by the Takeover Panel for the disapplication of Rule 9 of the Takeover Code following the undertaking by the Company of the Share Buyback Programme (whether in whole or in part). The Takeover Panel has confirmed that, subject to the Waiver Resolution being passed by the requisite majority of the Independent Shareholders on a poll, no mandatory bid obligation on the Concert Party (or any other persons with whom it may be acting in concert) under Rule 9 of the Takeover Code would be triggered by virtue of the Share Buyback Programme. The Waiver Resolution seeks the approval of the Panel Waiver by Shareholders.

The Independent Directors believe it is in the best interests of the Company that the Waiver Resolution be passed and hereby recommend that Independent Shareholders vote, or procure the vote, in favour of the Waiver Resolution. Panmure Liberum, as the Company's independent financial adviser, has provided formal advice to the Independent Directors that it considers the terms of these proposals to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing this advice, Panmure Liberum has taken into account the Independent Directors' commercial assessments. In accordance with the requirements of the Takeover Code, members of the Concert Party are not permitted to vote on the Waiver Resolution in respect of their aggregate holding of 23,151,914 Ordinary Shares.

Capitalised terms used but not defined in this announcement have the meanings given to them in the definitions set out in the Circular. Certain extracts from the Circular are set out below.

- Ends -

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Notes to editors:

About Virgin Wines

Virgin Wines is one of the UK's largest direct-to-consumer online wine retailers. It is an award-winning business which has a reputation for supplying and curating high quality products, excellent levels of customer service and innovative ways of retailing.

The Company was established in 2000 by the Virgin Group and was subsequently acquired by Direct Wines in 2005 before being bought out by the Virgin Wines management team, led by CEO Jay Wright and CFO Graeme Weir, in 2013. It listed on the London Stock Exchange's Alternative Investment Market (AIM) in 2021.

Virgin Wines is headquartered in Norwich, with two fully bonded, national distribution centres in Preston and Bolton. It stocks over 650 wines sourced from more than 40 trusted winemaking partners and suppliers around the world which it sells to a large active customer base, the majority of whom are on one of the Group's subscription schemes.

The Company drives the majority of its revenue through its fast-growing WineBank service, that has over 130k members, using a variety of marketing channels, as well as through its 30 strong Wine Advisor team, its Wine Plan channel and its Pay As You Go service.

Along with its extensive range of award-winning products, Virgin Wines was delighted that its flagship WineBank service was awarded 'Wine Club of the Year' at the 2024 IWC Awards, was named Online Drinks Retailer of the Year for 2022 at the Drinks Retailing Awards, as well as receiving the bronze award for Contact Centre of the Year at the 2022 UK National Contact Centre Awards. In addition, in 2023 the Group's Head of Buying, Sophie Lord, was named Buyer of the Year by Decanter magazine.

<https://www.virginwinesplc.co.uk/>

Extracts from Circular

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times set out below are based on the Company's current expectations and may be subject to change. Any change will be notified via a Regulatory Information Service. References to times in the Circular are to London times, unless otherwise stated.

| | |
|--|--|
| Publication of Circular | 28 January 2025 |
| Latest time and date for receipt of Forms of Proxy | 9.00 a.m. on 20 February 2025 |
| General Meeting | 9.00 a.m. 24 on February 2025 |
| Completion of the Share Buyback Programme | By 23 March 2026 or, if earlier, at the conclusion of the next annual general meeting of the Company |

Introduction

As at the Latest Practicable Date, the Company had (i) available cash of approximately £13,335,871 and no debt, and (ii) 55,972,405 Ordinary Shares in issue, of which 303,495 Ordinary Shares are held in treasury. Except for the 303,495 Ordinary shares held in treasury, each Ordinary Share is a Voting Share.

The Company intends to launch a share buyback programme in respect of up to 8,395,861 Ordinary Shares (rounded up to the nearest whole share) in aggregate (being up to 15% of the current number of Ordinary Shares in issue) (the **Share Buyback Programme**). A resolution approving the Share Buyback Programme (the **Share Buyback Resolution**) was passed by the Shareholders at the 2024 AGM.

Gresham House Asset Management Limited ("GHAM"), a subsidiary of Gresham House Limited, acting in its capacity as investment manager or adviser to the Mobeus VCTs and the GHAM Equity Funds, and not as principal, is considered to be interested, in aggregate, in approximately:

41.36 per cent. of the Company's issued share capital; and

41.59 per cent. of the Company's voting share capital.

GHAM is a specialist alternative asset management group, targeting strong financial returns with a focus on sustainable investments across a range of strategies, with expertise covering forestry, real estate, infrastructure, renewable energy, battery energy storage, and public and private equity.

GHAM actively manages £8.8bn (Jun-24) of assets with a footprint that spans the UK, Ireland, Australia, and New Zealand, on behalf of institutions, charities and endowments, family offices, private individuals, and their advisers.

Each of the Mobeus VCTs and the GHAM Equity Funds are together considered to be acting in concert with GHAM for the purposes of the Takeover Code. Further information on the Mobeus VCTs and the GHAM Equity Funds is set out in Part II of the Circular.

In addition, GHAM is also considered to be acting in concert with entities controlled by the Searchlight Controlling Persons, including Searchlight and the Searchlight Funds, and other entities controlled by the Searchlight Funds, which include GHAM, GHL, the immediate parent company of GHAM, and Seed Bidco Limited, the immediate parent company of GHL. Searchlight, which advises the Searchlight Funds, is a private investment firm founded in 2010. Seed Bidco Limited acquired GHL in 2023. GHL is a majority-owned portfolio company of the Searchlight Funds in the same manner as all other investments within Searchlight's portfolio.

Given GHAM is considered to be interested in Ordinary Shares which, in aggregate, would carry no less than 30 per cent. of the Voting Share Capital but does not hold more than 50 per cent. of the Voting Share Capital, any increase in the aggregate percentage voting rights in which GHAM is considered to be interested as a result of the Share Buyback Programme would require GHAM to make an offer for the Ordinary Shares not owned by it in accordance with Rule 9 of the Takeover Code. Accordingly, the Company's ability to commence the Share Buyback Programme will be conditional on Independent Shareholders passing the Waiver Resolution approving a waiver of the obligation for GHAM to make a general offer pursuant to Rule 37 of the Takeover Code.

The purpose of the Circular is to provide you with information on the background to and reasons for the proposals set out herein, to explain why the Board considers such proposals to be in the best interests of the Company and the Shareholders as a whole and why the Independent Directors unanimously recommend that you vote in favour of the Waiver Resolution to be proposed at the General Meeting.

The Circular also contains notice of the Company's General Meeting, at which the Waiver Resolution referred to above will be proposed.

Share Buyback Programme

On 29 May 2024, the Company launched a share buyback programme (the Original Share Buyback Programme) to buyback Ordinary Shares as announced by the Company on 30 May 2024. The Original Share Buyback Programme was launched stating that purchased Shares will be held in treasury and used to satisfy options exercised under the Company's long term incentive plan (LTIP). The Original Share Buyback Programme was paused on 10 June 2024, by which time a total number of 310,735 Ordinary Shares were repurchased by the Company.

Upon the Company's admission to trading on AIM on 2 March 2021, the aggregate interests of GHAM, in its capacity as investment manager or adviser to the Mobeus VCTs and the GHAM Equity Funds, was 41.46% of both the Company's total voting rights and its issued share capital.

As a consequence of the issue of further Ordinary Shares to other shareholders before the Original Share Buyback Programme, these interests were reduced to 41.36%

As a consequence of the purchase of a total of 310,735 Ordinary Shares under the Original Share Buyback Programme, the aggregate interests of GHAM, in its capacity as investment manager or adviser to the Mobeus VCTs and the GHAM Equity Funds:

- increased from 41.36% to 41.59% in respect of the Company's total voting share capital; and
- remained at 41.36% in respect of the Company's issued share capital.

These purchases and the resulting increase referred to above took place without the requisite approval of the Takeover Panel and Independent Shareholders. The Company intends to rectify this by limiting the number of Ordinary Shares it will purchase under the Share Buyback Programme, as set out in more detail below.

The Share Buyback Resolution was passed by the Shareholders of the Company at the 2024 AGM, pursuant to which the Company was given the authority (the **Share Buyback Authority**) to purchase up to 8,395,861 Ordinary Shares (rounded up to the nearest whole share) in aggregate (being 15% of the current number of Ordinary Shares in issue). Since the grant of the Share Buyback Authority at the 2024 AGM, the Company has not exercised any

issue). Since the grant of the Share Buyback Authority at the 2024 AGM, the Company has not exercised any buyback of its own Ordinary Shares pursuant to it. The Company now intends to launch the Share Buyback Programme.

The Company continues to generate cash and held an audited net cash balance of £10.3m as at 28 June 2024, having increased approximately £4.8m in the year ended 28 June 2024. The Company has a strong balance sheet with no debt. The Board continually reviews the Company's capital allocation policy and options include investment in organic growth, M&A, initiating a dividend policy and implementing this new Share Buyback Programme.

The Company's intention is that the Share Buyback Programme will be used to satisfy options exercised under the LTIP. In addition, as part of the Company's capital allowance review as noted above, the Company also intends to use the Share Buyback Programme as a mechanism to return surplus cash to investors.

The maximum price (exclusive of expenses) to be paid in relation to any share purchase will be five per cent. above the average middle market quotations for an Ordinary Share (as derived from the London Stock Exchange's Daily Official List) for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased. The minimum price (exclusive of expenses) to be paid in relation to any share purchase will be its nominal value.

The Company will be under no obligation to buy back the maximum number of Ordinary Shares that the Share Buyback Authority allows and will consider the best course of action for the Company in light of the prevailing share price and investment opportunities at the relevant time.

The Board reserves the right to decide how much of the Voting Share Capital the Company will buy back under the Share Buyback Authority, and may decide to discontinue the Share Buyback Programme entirely if the Board decides that it would not be in the best interests of the Company and its Shareholders as a whole for the Company to undertake or continue the Share Buyback Programme, at the relevant time.

The Takeover Code

As set out in above, the Share Buyback Programme gives rise to certain considerations under the Takeover Code. The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, among other things, a listed or unlisted public company resident in the United Kingdom, the Channel Islands or the Isle of Man (and to certain categories of private limited companies). The Company is a public company registered in the United Kingdom with its Ordinary Shares admitted to trading on AIM and its Shareholders are therefore entitled to the protections afforded by the Takeover Code.

Information on GHAM

GHAM is a specialist alternative asset management group, targeting strong financial returns with a focus on sustainable investments across a range of strategies, with expertise covering forestry, real estate, infrastructure, renewable energy, battery energy storage, and public and private equity.

GHAM actively manages £8.8bn (Jun-24) of assets with a footprint that spans the UK, Ireland, Australia, and New Zealand, on behalf of institutions, charities and endowments, family offices, private individuals, and their advisers.

Each of the entities listed in Table 1 below are together considered to be acting in concert with GHAM for the purposes of the Takeover Code.

In addition, GHAM is also considered to be acting in concert with entities controlled by the Searchlight Controlling Persons, including Searchlight and the Searchlight Funds, and other entities controlled by the Searchlight Funds, which include GHAM, GHL, the immediate parent company of GHAM, and Seed Bidco Limited, the immediate parent company of GHL. Searchlight, which advises the Searchlight Funds, is a private investment firm founded in 2010. Seed Bidco Limited acquired GHL in 2023. GHL is a majority-owned portfolio company of the Searchlight Funds in the same manner as all other investments within Searchlight's portfolio.

As at the Latest Practicable Date, GHAM is considered to be interested in Ordinary Shares equating to an aggregate of 41.36 per cent. of the issued share capital of the Company and 41.59 per cent. of the Voting Share Capital of the Company. As at the Latest Practicable Date, no other persons with whom GHAM is deemed to be acting in concert, including those persons and entities referred to above, had any interests in Ordinary Shares.

Table 1

| | |
|---------------------------------------|---------------------|
| <i>Total Ordinary Shares in issue</i> | <i>55,972,405*</i> |
| <i>Total Voting Shares in issue</i> | <i>55,668,910**</i> |

| Relevant entity managed and/or advised by GHAM | Total Ordinary Shares held | Total Ordinary Shares held (%) | Total Voting Shares held (%) |
|--|----------------------------|--------------------------------|------------------------------|
| The Income & Growth VCT Plc*** | 6,579,930 | 11.76 | 11.82 |
| Mobeus Income & Growth VCT Plc*** | 5,846,197 | 10.44 | 10.50 |
| Mobeus Income & Growth 2 VCT Plc*** | 3,078,059 | 5.50 | 5.53 |
| Mobeus Income & Growth 4 VCT Plc*** | 4,627,424 | 8.27 | 8.31 |
| WS Gresham House UK Micro Cap Fund | 2,505,080 | 4.48 | 4.50 |
| IFSL Avellemey UK European Equity Fund | 515,224 | 0.92 | 0.93 |
| Total | 23,151,914 | 41.36 | 41.59 |

*Includes Shares/votes attached to Shares held in treasury.

**Excludes Shares/votes attached to Shares held in treasury.

***Legal title held by Rapunzel. In addition, on 26 July 2024, MG 2 was merged into MG and MG 4 was merged into TIG pursuant to schemes of reconstruction under section 110 of the Insolvency Act 1986 although Rapunzel remains and will remain the registered holder of the legal title of the aggregate number of Ordinary Shares set opposite the names of the Mobeus VCTs in Table 1 above and, as at the date of the Circular, transfers of shares in the capital of Rapunzel from MG 2 and MG 4 have not yet taken place.

Further information on GHAM and the other persons and entities with whom it is considered to be acting in concert is set out in Part II (*Additional Information*) of the Circular.

Application of the Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which, when taken together with shares in which that person or persons acting in concert with that person are already interested in or acquired by persons acting in concert with him/her, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code or is interested in 30 per cent. or more but does not hold more than 50 per cent. of the shares carrying voting rights of such a company and acquires an interest in any additional shares carrying voting rights of that company, is normally required to make a general cash offer to all the remaining shareholders of the company to acquire their equity shares and transferable securities carrying voting rights in the company. An offer under Rule 9 of the Takeover Code must be in cash at the highest price paid by the person or the group of persons acting in concert in the preceding 12 months.

Accordingly, pursuant to Rule 9 of the Takeover Code, if the Board were to effect the Share Buyback Programme, resulting in an increase to the percentage of the voting rights which GHAM is considered to be interested in, GHAM may be required to make a general cash offer to all other Shareholders to acquire their Ordinary Shares, unless such obligation has been waived by the Takeover Panel.

Rule 37 of the Takeover Code specifically refers to situations where a company purchases its own voting shares, noting that any resulting increase in the percentage of shares carrying voting rights in which a person, or group of persons acting in concert, is interested will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code, but that the Takeover Panel will normally waive any such resulting obligation to make a general offer if there is a vote of the independent shareholders.

Panel Waiver

In order to enable the Company to effect the Share Buyback Programme without triggering a mandatory offer obligation for GHAM, the Company has consulted with the Takeover Panel and the Takeover Panel has agreed to waive the requirement for GHAM to make a general offer to all Shareholders under Rule 9 of the Takeover Code in circumstances where, following the Share Buyback Programme, the aggregate percentage holding of GHAM, in its capacity as investment manager or adviser to the Mobeus VCTs and the GHAM Equity Funds, and any persons with whom it is considered to be acting in concert increases (the Panel Waiver). This Panel Waiver is subject to the approval by a vote of Independent Shareholders on a poll at the General Meeting. The Waiver Resolution seeks this approval. The duration of the Panel Waiver is the same as the duration of the Share Buyback Authority and will therefore expire on 23 March 2026 or, if earlier, at the conclusion of the next annual general meeting of the Company. Accordingly, should Independent Shareholders approve the Waiver Resolution, they will be waiving the requirement for GHAM to make a mandatory general offer under Rule 9 of the Takeover Code as a result of the exercise of the Share Buyback Authority.

Buyback Authority.

As mentioned above, the Company's intention is that, amongst other purposes, the share buyback of up to 8,395,861 Ordinary Shares will be used to satisfy options exercised under the LTIP. Currently, if all options granted under the LTIP which:

- (a) have vested already but are not yet exercised and which remain capable of being exercised (a total of 141,368 Ordinary Shares); and
- (b) will vest on 6 December 2024 and will, on and from that date, be capable of being exercised (a total of 285,113 Ordinary Shares),

were exercised, the Company could satisfy the exercise of all such options as to 303,495 Ordinary Shares from Ordinary Shares currently held in treasury and the balance of 122,986 Ordinary Shares from Ordinary Shares proposed to be acquired under the Share Buyback Programme and held in treasury. The alternative would be that the Company issues 122,986 new Ordinary Shares in order to satisfy all of the options granted under the LTIP referred to in sub-paragraphs (a) and (b) above if exercised in full.

The shareholdings and maximum voting rights of each of the Mobeus VCTs and GHAM Equity Funds, assuming all options granted under the LTIP referred to in sub-paragraphs (a) and (b) above are exercised, are set out in the Table 2 below.

Table 2

| | | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| <i>Total Ordinary Shares in issue</i> | 56,095,391 | | |
| <i>Total Voting Shares in issue</i> | 56,095,391 | | |
| Relevant entity managed and/or advised by GHAM | Total Ordinary Shares held | Total Ordinary Shares held (%) | Total Voting Shares held (%) |
| The Income & Growth VCT Plc | 6,579,930 | 11.73 | 11.73 |
| Mobeus Income & Growth VCT Plc | 5,846,197 | 10.42 | 10.42 |
| Mobeus Income & Growth 2 VCT Plc | 3,078,059 | 5.49 | 5.49 |
| Mobeus Income & Growth 4 VCT Plc | 4,627,424 | 8.25 | 8.25 |
| WS Gresham House UK Micro Cap Fund | 2,505,080 | 4.47 | 4.47 |
| IFSL Avellemey UK European Equity Fund | 515,224 | 0.92 | 0.92 |
| Total | 23,151,914 | 41.27 | 41.27 |

If the maximum number of Ordinary Shares (being 8,395,861 Ordinary Shares) are bought back and cancelled by the Company pursuant to the Share Buyback Authority and assuming (i) that neither GHAM nor any person considered to be acting in concert with it participates in the Share Buyback Programme, (ii) that no further Ordinary Shares are issued by the Company, and (iii) in the unlikely event that all Ordinary Shares currently held in treasury (303,495 Ordinary Shares) remain in treasury, then GHAM would, in aggregate, be considered to be interested in Ordinary Shares carrying a maximum of 48.97 per cent. of the Voting Share Capital, which is the highest possible percentage of the Voting Share Capital GHAM could obtain if the Share Buyback Authority is exercised in full. The shareholdings and maximum voting rights of each of the Mobeus VCTs and the GHAM Equity Funds are set out in Table 3 below.

Table 3

| | | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| <i>Total Ordinary Shares in issue</i> | 47,576,544 | | |
| <i>Total Voting Shares in issue</i> | 47,273,049 | | |
| Relevant entity managed and/or advised by GHAM | Total Ordinary Shares held | Total Ordinary Shares held (%) | Total Voting Shares held (%) |
| The Income & Growth VCT Plc | 6,579,930 | 13.83 | 13.92 |
| Mobeus Income & Growth VCT Plc | 5,846,197 | 12.29 | 12.37 |
| Mobeus Income & Growth 2 VCT Plc | 3,078,059 | 6.47 | 6.51 |
| Mobeus Income & Growth 4 VCT Plc | 4,627,424 | 9.73 | 9.79 |
| WS Gresham House UK Micro Cap Fund | 2,505,080 | 5.27 | 5.30 |

| | | | |
|---------------------------------------|-------------------|--------------|--------------|
| IFSL Avellemy UK European Equity Fund | 515,224 | 1.08 | 1.09 |
| Total | 23,151,914 | 48.67 | 48.97 |

Following exercise of the Share Buyback Authority in full, GHAM, in its capacity as investment manager or adviser to the Mobeus VCTs and the GHAM Equity Funds, would be considered to be interested in Ordinary Shares carrying over 30 per cent. of the Voting Share Capital but would not hold Ordinary Shares carrying more than 50 per cent. of the Voting Share Capital and, as long as GHAM and the persons with whom it is considered to be acting in concert continue to be treated as acting in concert, any further increase in their aggregate interests in Ordinary Shares will be subject to Rule 9 of the Takeover Code.

If the Rule 9 Waiver is approved, then GHAM will not be required to make an offer.

Accordingly, whilst the obligations under Rule 9 of the Takeover Code would be waived in relation to any exercise of the Share Buyback Authority, any other future share buybacks after the expiry of the Panel Waiver or purchases of any interest in shares in the Company by GHAM (or any other persons acting, or deemed to be acting, in concert with it, including those persons described above), would remain subject to Rule 9 and the other provisions of the Takeover Code.

GHAM has confirmed to the Company that it is not proposing, following any increase in the percentage interests in the Voting Share Capital in which it is considered to be interested as result of the Share Buyback Programme, to seek any change in the general nature of the Company's business. GHAM has further confirmed that it has no intention to change the Company's plans with respect to: (i) the composition of the Board, nor the Company's plans with respect to the continued employment of employees and management of the Company and its subsidiaries (including any material change in conditions of employment) or any material change to the balance of skills and functions of the employees and management; (ii) the Company's future business and its strategic and development plans; (iii) the location of the Company's headquarters or headquarter functions or the location of the Company's place of business; (iv) employer contributions into any of the Company's pension schemes, the accrual of benefits for existing members, nor the admission of new members; (v) redeployment of the Company's fixed assets; or (vi) the continuation of the Ordinary Shares being admitted to trading on AIM.

Further, the Company (as agreed with the Takeover Panel) commits to not use the Share Buyback Authority in full and will limit the number of Ordinary Shares it purchases pursuant to it to 8,085,126 Ordinary Shares (being 14.44 per cent. of the Company's issued share capital), recognising the number of Ordinary Shares it purchased in the Original Buy Back Programme. The rationale for limiting the number of Ordinary Shares the Company's purchases in this way is to put right the fact that 310,735 Ordinary Shares (as highlighted in paragraph 2 above) were repurchased by the Company pursuant to the Original Share Buyback without the requisite approval from the Takeover Panel and Independent Shareholders which increased the percentage voting rights held by the Concert Party.

Your attention is drawn to Part II (*Additional Information*) of the Circular which sets out certain further information and financial information that is required to be disclosed in the Circular pursuant to the rules contained in the Takeover Code.

Under Rule 25.2 of the Takeover Code, only the Independent Directors are able to make a recommendation to the Independent Shareholders with respect to the proposed Waiver Resolution.

The Independent Directors draw to the Shareholders' attention that a result of the Share Buyback Programme is that GHAM's aggregate holding of the Company's Voting Share Capital, which today represents 41.59%, may increase. The Independent Directors also note the commitments confirmed above by GHAM that, amongst other items, it is not proposing to seek any change in the general nature of the Company's business, strategy or listed status.

The Independent Directors believe it is in the best interests of the Company that the Waiver Resolution be passed and hereby recommend that Independent Shareholders vote, or procure the vote, in favour of the Waiver Resolution. Panmure Liberum, as the Company's independent financial adviser, has provided formal advice to the Independent Directors that it considers the terms of these proposals to be fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing this advice, Panmure Liberum has taken into account the Independent Directors' commercial assessments. In accordance with the requirements of the Takeover Code, members of the Concert Party are not permitted to vote on the Waiver Resolution in respect of their aggregate holding of 23,151,914 Ordinary Shares.

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