

THIS DOCUMENT AND THE ENCLOSED FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. THE WHOLE TEXT OF THIS DOCUMENT SHOULD BE READ. If you are in any doubt about the contents of this document and the enclosed Form of Proxy or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are resident in the United Kingdom or, if you are a person outside the UK, from another appropriately qualified independent financial adviser in your jurisdiction.

If you have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date of this document, please immediately send this document (but not the personalised Form of Proxy) to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee who now holds those Existing Ordinary Shares. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares, you should retain this document and immediately consult with the stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this document and/or any accompanying documents into a jurisdiction other than the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa or into any other jurisdiction where to do so would breach any applicable law or regulation.

The ROX Subscription Shares will only be available to ROX, which is a qualified investor for the purposes of the Prospectus Regulation Rules, or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. The ROX Subscription does not constitute an offer to the public requiring an approved prospectus under section 85(1) of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules made by the Financial Conduct Authority of the United Kingdom (“**FCA**”) pursuant to sections 73A(1) and (4) of FSMA and has not been pre-approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies. This document has not been approved for issue by any person for the purposes of section 21 of FSMA.

Sondrel (Holdings) plc

(a company incorporated in England and Wales under the Companies Act 2006 with registered number 07275279)

Subscription of 56,254,000 New Ordinary Shares to raise £5,625,400
Proposed approval of waiver of the obligations under Rule 9 of the Takeover Code
and
Notice of General Meeting

This document and the enclosed Form of Proxy should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company set out on pages 13 to 24 (inclusive) of Part I (*Letter from the Chairman*) of this document explaining the background to, and reasons for, the Fundraising and the recommendation by the Directors to the Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, referred to below.

The Existing Ordinary Shares are admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Subject to certain conditions being satisfied, application will be made for the New Ordinary Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange. Conditional on the passing of the Resolutions at the General Meeting and NSIA Approval, it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 31 May 2024. The New Ordinary Shares will be issued free of expenses and will, on issue, rank *pari passu* in all respects with the

Existing Ordinary Shares in issue, including the right to receive all dividends and distributions declared, made or paid after the date of issue.

Notice of a General Meeting of the Company, to be held at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB at 10.00 a.m. (UK time) on 30 May 2024, is set out at the end of this document. Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it and as set out in paragraph 12 of Part I (*Letter from the Chairman*) of this document as soon as possible and, in any event, by no later than 10.00 a.m. on 28 May 2024 (or, in the case of an adjourned General Meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a working day). For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Form of Proxy. Alternatively, you can also submit your vote electronically in accordance with the instructions set out in paragraph 12 of Part I (*Letter from the Chairman*) of this document.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any other jurisdiction should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the laws of such jurisdiction. This document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. For the avoidance of doubt, such restricted jurisdictions include, but are not limited to, the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa. This document has been prepared to comply with English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. No person should construe the contents of this document as legal, tax or financial advice and recipients of this document should consult their own advisers as to the matters described in this document.

The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold within the US or to, or for the account or benefit of, any US Person (as that term is defined in Regulation S under the US Securities Act). The Company has not been registered and will not be registered under the United States Investment Company Act of 1940, as amended. The relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Fundraising. Accordingly, subject to certain exceptions, the New Ordinary Shares may not, directly or indirectly, be offered or sold in or into the US, Canada, Australia, the Republic of South Africa, New Zealand or Japan or to any resident of the US, Canada, Australia, the Republic of South Africa, New Zealand or Japan. Any prospective purchaser of New Ordinary Shares is recommended to seek their own independent professional advice.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the offering of New Ordinary Shares nor have they approved this document or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

Cavendish, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting as nominated adviser and broker to the Company and for no one else in connection with the Fundraising and Admission and accordingly will not be responsible to any person other than the Company for providing the protections afforded to customers of Cavendish or for providing advice in relation to such matters. Cavendish’s responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any director of the Company (existing or proposed) or to any other person. No representation or warranty, expressed or implied, is made or deemed to be made by Cavendish or any of its directors as to any of the contents of this document and Cavendish has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Cavendish for the accuracy of any information or opinions contained in this document or for the omission of any information.

Forward looking statements

This document contains statements about the Company that may be deemed to be “forward-looking statements”. All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, etc. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual result, performance or achievements of any person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Takeover Code, the Prospectus Regulation Rules and/or FSMA), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Dated 14 May 2024

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Nigel Vaughan (<i>Independent Non-Executive Chairman</i>) Graham Curren (<i>Founder and Non-Executive Director</i>) Adrian Carey (<i>Independent Non-Executive Director</i>) Sherry Madera (<i>Independent Non-Executive Director</i>)
Company Secretary	ONE Advisory Limited 201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
Registered office	Sondrel House Theale Lakes Business Park Moulden Way Sulhamstead Reading RG7 4GB
Nominated Adviser and Broker	Cavendish Capital Markets Limited One Bartholomew Close London EC1A 7BL
Legal advisers to the Company	Shoosmiths LLP 1 Bow Churchyard London EC4M 9DQ
Legal advisers to the Nominated Adviser and Broker	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Registrar	Link Group Central Square 29 Wellington Street Leeds LS1 4DL

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2024

Announcement of the ROX Subscription and publication
and posting of this document 7.00 a.m. on 14 May

Latest time and date for receipt of completed Forms of Proxy and
receipt of electronic proxy appointments via the CREST system
and the other electronic facilities set out in set out in
paragraph 12 of Part I (*Letter from the Chairman*) 10.00 a.m. on 28 May

General Meeting 10.00 a.m. on 30 May

Announcement of result of General Meeting 30 May

**Admission effective and dealings in the New Ordinary Shares
expected to commence on AIM** 8.00 a.m. on 31 May

CREST accounts credited in respect of the New Ordinary Shares
to be held in uncertificated form (subject to Admission) 31 May

Where applicable, expected date for dispatch of definitive share certificates
for New Ordinary Shares to be held in certificated form within 10 Business Days
following Admission

Notes:

- (1) If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
- (2) The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.
- (3) All references to time and dates in this document are to time and dates in London.

KEY STATISTICS

Number of Existing Ordinary Shares	87,461,772
Number of ROX Conversion Shares ⁽¹⁾	28,746,000
Number of ROX Subscription Shares ⁽²⁾	56,254,000
Maximum number of Ordinary Shares which may be issued to ROX in the Additional Fundraising	15,000,000
Maximum number of Ordinary Shares which may be issued to ROX in connection with the Proposals	100,000,000
Issue Price	10 pence
Enlarged Share Capital immediately following completion of the Fundraising ⁽²⁾	172,461,772
Percentage of the Enlarged Share Capital represented by the ROX Shares ⁽³⁾	49.29 per cent.
Enlarged share capital if the Additional Fundraising proceeds in full ⁽⁴⁾	187,461,772
Percentage of enlarged share capital held by ROX if the Additional Fundraising proceeds in full ⁽⁴⁾	53.34 per cent.
Gross proceeds of the ROX Subscription and the conversion of the ROX Loans ⁽⁵⁾	£8,500,000
ISIN of the Ordinary Shares	GB00BJN54579
SEDOL of the Ordinary Shares	BJN5457

Notes:

- (1) To be issued under the terms of the ROX Loan Agreements.
- (2) Unless and until NSIA Approval is received, ROX's percentage stake in the Company will not in any circumstances exceed 25 per cent. of the Enlarged Share Capital. In the event the Rule 9 Waiver Resolution is passed and the NSIA Approval is received, this is the amount of shares ROX will subscribe for (excluding any Additional Fundraising).
- (3) Assuming the Rule 9 Waiver Resolution is passed and the NSIA Approval is received (but excluding any Additional Fundraising).
- (4) Assuming the Rule 9 Waiver Resolution is passed, the NSIA Approval is received and the Company and ROX proceed with the Additional Fundraising in full.
- (5) Assuming the conversion of the ROX Loans takes place as set out in paragraph 8 of Part I (*Letter from the Chairman*).

DEFINITIONS AND GLOSSARY

The following definitions and glossary apply throughout this document (including the Notice of General Meeting) unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended);
“acting in concert”	has the meaning attributed to it in the Takeover Code;
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
“Additional Fundraising”	the Company requesting and ROX determining to subscribe for up to a further 15,000,000 new Ordinary Shares in the Company at the Issue Price per new Ordinary Share;
“Additional Fundraising Shares”	up to 15,000,000 New Ordinary Shares that may be subscribed for by ROX at the price of 10 pence per share pursuant to the Additional Fundraising;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“AIM Rules for Companies”	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers, as published and amended from time to time by the London Stock Exchange;
“Australia”	the Commonwealth of Australia, its states, territories and possessions;
“Board” or “Directors”	the directors of the Company as at the date of this document, whose names are set out on page 5 of this document;
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in London for normal banking business and the London Stock Exchange is open for trading;
“Canada”	Canada, its provinces, territories and all areas subject to its jurisdiction and any political sub-division thereof;
“Cavendish”	Cavendish Capital Markets Limited, a private limited company incorporated in England and Wales under registered number 06198898 and having its registered office at 1 Bartholomew Close, London, EC1A 7BL, the Company's nominated adviser and broker;
“certificated” or “in certificated form”	an ordinary share recorded on a company's share register as being held in certificated form (namely, not in CREST);
“Chairman”	the chairman of the Board;
“Circular” or “this document”	this document, posted to Shareholders on 14 May 2024;
“Company”	Sondrel (Holdings) plc, a company incorporated in England and Wales with registered number 07275279);

“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and holding shares in uncertificated form, in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST as published by Euroclear;
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST participant ID”	shall have the meaning given in the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a CREST sponsored member;
“Daily Official List”	the daily official list of the London Stock Exchange;
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part V of the FSMA from time to time;
“Enlarged Share Capital”	the entire issued share capital of the Company on Admission following completion of the Fundraising;
“Euroclear”	Euroclear UK & International Limited;
“EUWA”	European Union (Withdrawal) Act 2018 (as amended);
“Exclusivity Agreement”	the exclusivity agreement entered into between the Company, ROX on 5 March 2024;
“Exclusivity Amendment Agreement”	a deed of amendment to the Exclusivity Agreement containing, amongst other things, an increase in the Fundraising to £8.5 million dated 28 March 2024;
“Existing Ordinary Shares”	the 87,461,772 Ordinary Shares in issue at the date of this document;
“FCA”	the UK Financial Conduct Authority;
“First ROX Loan Agreement”	the convertible loan agreement entered into between the Company and ROX on 5 March 2024;
“Form of Proxy”	the hard copy form of proxy for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraising”	the ROX Subscription;

“FY23”	the financial year ended 31 December 2023 of the Company;
“General Meeting” or “GM”	the General Meeting of the Company convened for 10.00 a.m. (UK time) on 30 May 2024 or any adjournment thereof, notice of which is set out at the end of this document;
“Group” or “Sondrel”	the Company and its subsidiaries (as defined in the Act);
“Issue Price”	10 pence per New Ordinary Share;
“Japan”	Japan, its cities and prefectures, territories and possessions;
“LinkVote+”	a free app for smartphone and tablet provided by Link Group (the Company’s Registrar) enabling Shareholders the option to submit a proxy appointment electronically;
“London Stock Exchange”	London Stock Exchange Group plc;
“New Ordinary Shares”	the ROX Shares;
“Non-Executive Directors”	the non-executive directors of the Company, being Graham Curren, Nigel Vaughan, Adrian Carey and Sherry Madera;
“Notice of General Meeting”	the notice convening the General Meeting as set out at the end of this document;
“NSIA Approval”	approval by the UK secretary of state of ROX’s proposed investment in the Company as required by the National Security and Investment Act 2021;
“Official List”	the Official List of the FCA;
“Optionholders”	the holders of Share Options;
“Ordinary Shares”	the ordinary shares of £0.001 each in the capital of the Company in issue from time to time;
“Proposals”	the recommended proposals by the board for the (i) allotment of the ROX Conversion Shares, (ii) allotment of the ROX Subscription Shares, (iii) the Rule 9 Waiver, and (iv) the allotment of any shares in connection with the Additional Fundraising;
“Prospectus Regulation Rules”	the rules made by the FCA under Part VI of FSMA in relation to offers of transferable securities to the public and admission of transferable securities to trading on a regulated market;
“Proxymity”	an electronic proxy voting platform available for use by institutional investors;
“Reference Date”	10 May 2024, being the latest practicable date prior to publication of this document;
“Registrar”	Link Group, the Company’s registrar;
“Regulatory Approvals”	the NSIA Approval and the Rule 9 Waiver;
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website;
“Republic of South Africa”	the Republic of South Africa, its territories and possessions;

“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice of General Meeting;
“ROX”	means ROX Equity Partners Limited, a company incorporated in England and Wales with registered number 10937650 and whose registered office address is at Devonshire House, One Mayfair Place, London, England, W1J 8AJ;
“ROX Documents”	the First ROX Loan Agreement, the Second ROX Loan Agreement, the Exclusivity Agreement, the Exclusivity Amendment Agreement, ROX Subscription Letter, the ROX Relationship Agreement and the Sprk Standstill Agreement;
“ROX Conversion Shares”	28,746,000 new Ordinary Shares to be allotted and issued to ROX upon conversion of the ROX Loans (which shall take place automatically upon Admission);
“ROX Loan Agreements”	together, the First ROX Loan Agreement and the Second ROX Loan Agreement;
“ROX Loans”	the secured convertible loans made by ROX to the Company pursuant to the ROX Loan Agreements in the aggregate principal amount of £2,874,600;
“ROX Shares”	the ROX Conversion Shares and the ROX Subscription Shares;
“ROX Subscription”	the conditional private subscription at the Issue Price by ROX directly with the Company for the ROX Subscription Shares pursuant to the ROX Subscription Letter;
“ROX Subscription Letter”	the conditional subscription letter dated 14 May 2024 between ROX and the Company, details of which are set out in paragraph 8.1 of Part II (<i>Takeover Code Disclosures for the Purpose of the Rule 9 Waiver</i>) of this document;
“ROX Subscription Shares”	56,254,000 new Ordinary Shares to be allotted and issued to ROX pursuant to the ROX Subscription Letter, subject to receipt of the Regulatory Approvals, and conditional upon Admission which, together with the ROX Conversion Shares, which will take ROX’s percentage shareholding in the Company to 49.29 per cent. of the Enlarged Share Capital;
“Rule 9”	Rule 9 of the Takeover Code;
“Rule 9 Waiver”	the waiver granted by the Takeover Panel, conditional upon the approval by the Shareholders (all of whom are considered independent for this purpose) of the Rule 9 Waiver Resolution at the General Meeting, of an obligation which would otherwise be imposed on ROX to make a general offer to all Shareholders under Rule 9 of the Takeover Code, as a result of the Fundraising and the Additional Fundraising;
“Rule 9 Waiver Resolution”	the ordinary resolution numbered 1 in the Notice of General Meeting to approve the Rule 9 Waiver
“Second ROX Loan Agreement”	the convertible loan agreement entered into between the Company and ROX on 28 March 2024;
“Securities Act”	US Securities Act of 1933 (as amended);

“Shareholders”	the holders of Existing Ordinary Shares, and the term “Shareholder” shall be construed accordingly;
“Share Options”	share options granted under the Sondrel (Holdings) PLC 2011 Enterprise Management Incentive Plan and/or the Sondrel (Holdings) PLC 2023 Enterprise Management Incentive Plan;
“Siemens”	Siemens Industry Software Limited (formerly Mentor Graphics (Ireland) Ltd), a private limited company incorporated in Ireland with registered number FC022985;
“Signal Shares account”	the account which a Shareholder can access through www.signalshares.com ;
“Sondrel Ventures Ltd”	Sondrel Ventures Ltd (previously named Sondrel (SOC Solutions) Ltd, a wholly-owned subsidiary of the Company incorporated in England with registered number 10246519;
“Sprk”	means Sprk Capital Limited, a company incorporated in England and Wales with registered number 12248853 and whose registered office address is at 10 John Street, London, England, WC1N 2EB;
“Sprk Capital Loans”	means the loans granted by Sprk to Sondrel Limited detailed in paragraphs 8.10 and 8.11 of Part II (<i>Takeover Code Disclosures for the Purpose of the Rule 9 Waiver</i>) of this document;
“Sprk Standstill Agreement”	the standstill agreement entered into between Sprk, Sondrel and ROX detailed in paragraph 8.7 of Part II (<i>Takeover Code Disclosures for the Purpose of the Rule 9 Waiver</i>) of this document;
“Takeover Code”	the City Code on Takeovers and Mergers issued by the Takeover Panel, as amended from time to time;
“Takeover Panel”	the Panel on Takeovers and Mergers;
“Transformation Plan”	means the transformation plan detailed in paragraph 4 of Part I (<i>Letter from the Chairman</i>) of this document;
“uncertificated” or “uncertificated form”	means recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction;
“£”, “pounds sterling”, “sterling” “pence” or “p”	the lawful currency of the United Kingdom; and
“working day”	has the meaning given in section 1173 of the Act.

PART I

LETTER FROM THE CHAIRMAN

SONDREL (HOLDINGS) PLC

(incorporated and registered in England and Wales with registered number 07275279)

Directors:

Nigel Vaughan *(Independent Non-Executive Chairman)*
Graham Curren *(Founder and Non-Executive Director)*
Adrian Carey *(Independent Non-Executive Director)*
Sherry Madera *(Independent Non-Executive Director)*

Registered Office:

Sondrel House
Theale Lakes Business Park
Moulden Way
Sulhamstead
Reading RG7 4GB

To all Shareholders and, for information purposes only, holders of Share Options

Dear Shareholder

14 May 2024

Subscription of 56,254,000 New Ordinary Shares to raise £5,625,400
Proposed approval of waiver of the obligations under Rule 9 of the Takeover Code
and
Notice of General Meeting

1. INTRODUCTION

On 14 May 2024 the Company announced that it had conditionally raised £5,625,400 (before expenses) pursuant to the ROX Subscription comprising the issue of 56,254,000 New Ordinary Shares at the Issue Price. The 56,254,000 New Ordinary Shares will be issued under the allotment authorities obtained at the general meeting of the Company held on 25 March 2024.

The purpose of this document is to explain the background to the Fundraising, to set out the reasons why the Board believes that the Fundraising is in the best interests of the Company and its Shareholders and to seek Shareholder approval of the Resolutions at the forthcoming General Meeting, which will be held at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB at 10.00 a.m. (UK time) on 30 May 2024.

IMPORTANT NOTICE

The Company has called the General Meeting in order to put to Shareholders the Resolutions required to approve the Rule 9 Waiver, complete the Fundraising and, if required, the Additional Fundraising.

If the Resolutions are not approved by Shareholders at the General Meeting, no Ordinary Shares will be issued to ROX pursuant to the Fundraising and the Fundraising will not proceed. As such, the anticipated net proceeds of the Fundraising would not become available to the Company. There is no certainty that other funding would be available on suitable terms or at all. Accordingly, in light of the Group's reducing cash position, in such circumstances it would be likely that the Company would have to cease trading.

If you are in any doubt as to what action you should take in respect of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

2. BACKGROUND TO, AND REASONS FOR, THE FUNDRAISING

Sondrel business overview

Sondrel is a UK founded and headquartered, AIM quoted, fabless semiconductor business providing turnkey services in the design and delivery of complex, high end 'application specific integrated circuits' ("**ASICs**") and 'system on chips' ("**SoCs**") for leading global technology brands. Sondrel's capabilities are provided to customers seeking competitive advantage by including customised ASIC/SoC devices enabling differentiation of their end products when addressing fast growth technology megatrends.

Sondrel delivers complex ASIC/SoC designs on a consultancy and/or project basis for a wide range of leading multi-national corporate customers. The high-end complex ASICs/SoCs designed and supplied by Sondrel to its customers and Sondrel's previous designs have been included in well-known products such as Apple iPhone, Sony PlayStation, Meta's Oculus Quest virtual reality headset, Samsung, Google and Sony smartphones, JVC prosumer camcorders and Tesla and Mercedes-Benz cars.

Sondrel has transitioned its business model to provide a full turnkey ASIC design and supply service for its customers. This includes contracting for the manufacture, testing and production of ASICs as well as previously offered design and production consulting. Although the testing, packaging, and other capital-intensive engineering functions necessary for production of an ASIC will continue to be outsourced to third parties, Sondrel provides the product engineering and manages the complex manufacturing process by engaging third parties directly.

Reasons for the Fundraising

On 28 December 2023, and further detailed in paragraph 3 below, Sondrel announced that the Company would need to secure additional capital prior to end of March 2024 to provide a more permanent solution to meet the Company's short-term working capital requirements. This message was repeated in the Company's statements of 10 January 2024 and 5 February 2024. On 27 February 2024, Sondrel announced that it would "...now require additional capital by the end of February 2024, in order inter alia, to meet payroll and other working capital requirements".

The Company took the decision to carry out the Fundraising to provide a more permanent solution to meet the Group's short-term working capital requirements. **The Company requires the Fundraising in order to continue to operate.**

On 1 March 2024, the Company announced "*that discussions with a potential provider of capital to meet the Group's immediate working capital requirements are now at a very advanced stage in respect of a proposed £0.9 million secured 15 per cent. convertible loan note*".

Subsequently, on 6 March 2024, Sondrel announced that it had, amongst other things, entered into the Exclusivity Agreement with ROX pursuant to which, subject to the satisfaction of a number of conditions (including the Rule 9 Waiver), ROX would subscribe for up to 65,000,000 new Ordinary Shares at a price of 10 pence per Ordinary Share. On the same day, the Company announced that it had entered into the First ROX Loan Agreement with ROX in order to assist the Company in meeting the Group's February 2024 payroll and certain overdue supplier obligations.

On 28 March 2024, the Company announced that it had entered into the Second ROX Loan Agreement, the proceeds of which would be utilised to enable the Group to meet its March and April 2024 payroll and immediate working capital requirements. On the same day, the Company announced that the Exclusivity Agreement had been further amended so that ROX would subscribe for up to 85,000,000 Ordinary Shares at 10 pence per Ordinary Share. In addition, if during the 12-month period following the Fundraising the Company were to require additional funding to finance the Transformation Plan detailed in paragraph 4 below, ROX may (if approved by ROX) subscribe for an additional 15,000,000 shares at 10 pence per Ordinary Share. The Fundraising is subject to the Rule 9 Waiver Resolution being passed at the General Meeting and receiving NSIA Approval.

The Fundraising will provide the Company with sufficient working capital required to meet its working capital needs and to execute its Transformation Plan detailed in paragraph 4 below.

3. CURRENT TRADING

On 28 December 2023, the Company announced the following update:

“Although continued progress has been made with regard to the ASIC project with a Tier 1 automotive OEM, £1.7m of payments for the achievement of a significant milestone under the contract initially expected to be received in December 2023 have been subject to an unexpected delay and are now expected to be received during January and February 2024. This automotive contract will not now achieve the next milestone, being tape out, until late Q1 2024 and will require additional resource to complete, the funding for which is currently under discussion with the customer.

Significant new ASIC business opportunities are in final negotiation for project start in early 2024 and indications remain encouraging that European and US market demand for Sondrel’s turnkey ASIC services is strong.

However, as a consequence of the above delay, the cash position of the Group has further declined during December 2023. Sondrel was unable to meet December 2023 payroll in full and therefore the Company’s Directors and senior management agreed to defer their salaries and fees until such time as the delayed funds are received. Sondrel asked certain employees to defer on the same basis, and was pleased that in excess of 67 per cent. of Group staff agreed to full deferral, with a significant additional number agreeing to partial deferral.

With a view to managing Group liquidity, negotiations are underway with suppliers to improve the terms of existing supply arrangements. The Group will need to secure additional capital prior to the end of March 2024 to provide a more permanent solution to meet the Company’s short-term working capital requirements. However, should the delayed payments not be received through January and February 2024, the Group will need to secure this funding in shorter order.”

On 10 January 2024 the Company announced the following update:

“... ”

It is therefore expected that revenue associated with the automotive project of approximately £2.7 million will instead now be recognised in the year ending 31 December 2024 (“FY24”). This revenue includes the £1.7 million that is now expected to be received in January and February 2024, as per the announcement on 28 December 2023.

As a result, reported FY23 revenue is now expected to be materially lower than previous expectations at approximately £10.0 million. There will also be a corresponding impact on reported FY23 loss before tax due to the delay and also the additional resources and cost in advancing the project. ...*

* Current consensus analyst forecasts are for FY23 revenues of £13.0 million and an adjusted loss before tax of £6.0 million.”

The current consensus analyst forecasts have not changed since 10 January 2024 and are for FY23 revenues of £10 million.⁽¹⁾

(1) For the purposes of rule 28 of the Takeover Code, the Directors confirm that this forecast consensus remains valid.

On 5 February 2024 the Company announced the following update:

“Sondrel... is pleased to confirm that it has received £1.5 million of payments in relation to the material turnkey ASIC engagement with its automotive Tier 1 supplier in January 2024, further to the announcement of 10 January 2024.

As a result, previously deferred December 2023 Group payroll has been met along with January 2024 Group payroll and certain creditor payments. Discussions with the customer over resolution of the funding for the project extension continue and additional payments are expected in the coming months, assuming completion of the ‘tapeout’ milestone and including the balance of £0.2 million.

Significant new ASIC business opportunities are in final negotiation for project start in early 2024 and indications remain encouraging that European and US market demand for Sondrel’s turnkey ASIC services is strong.

Negotiations remain ongoing with suppliers to improve the terms of existing supply arrangements but the Group continues to need to secure additional capital prior to the end of March 2024 to provide a more permanent solution to meet the Company's short-term working capital requirements."

On 27 February 2024 the Company announced the following update:

"Sondrel... is pleased to announce that it has won a new design and supply contract for a next generation video processing chip with a total estimated value of US\$23 million across the design, qualification and projected production life of the product.

The complex chip is to be used for high performance professional video streaming solutions. The Company has entered into the master agreement with the customer and design work has commenced whilst the parties finalise negotiations to the exhibits to the agreement.

The initial contract value is for over US\$9 million for the duration of the design and qualification phases and the work will be fully funded by the customer.

Chip production and supply are anticipated to start in 2026 and, subject to successful tapeout and qualification of prototypes, the contract is expected to generate production revenue of US\$14 million, over 10 to 15 year production lifetime of the product, based on current customer forecasts.

The Company also reports that it has received four new orders in 2024 year to date for its design consulting services, engaging with two existing customers and two new customers. These contracts will generate a combined revenue of US\$0.9 million in the current financial year.

Further to the announcement on 5 February 2024, negotiations with the Company's largest supplier to improve the terms of existing and future supply arrangements are now well advanced and have secured an agreement in principle. Discussions with other suppliers are positive and remain ongoing. Notwithstanding the progress made, negotiations with the Company's largest supplier have been slower than originally anticipated and the Group will now require additional capital by the end of February 2024, in order to inter alia, meet payroll and other short-term working capital requirements. The Company is in advanced discussions with a potential provider of capital which would serve to extend this working capital runway."

On 1 March 2024 the Company announced the following update:

*"Further to the announcement on 27 February 2024, Sondrel confirms that discussions with a potential provider of capital to meet the Group's immediate working capital requirements are now at a very advanced stage in respect of a proposed £0.9 million secured 15 per cent. convertible loan note (the "**CLN**").*

*If agreed between the parties, the CLN would be mandatorily convertible into new ordinary shares in the Company at a price of 10 pence per new ordinary share on completion of a wider fundraise by the Company to raise net proceeds of not less than c.£6 million (the "**Fundraise**"). The provider of the CLN is expected to invest a further material equity amount in the Fundraise, which is intended to be completed prior to the end of March 2024.*

The Fundraise is expected to provide the Company with the necessary working capital resources to support it through to a positive trading cash flow position in the year ending 31 December 2024 ("FY24").

Whilst the CLN is expected to be secured imminently, the Company cautions that the provision of the CLN remains subject to agreement between the parties. The Company will not be able to meet February 2024 payroll in full prior to receipt of CLN proceeds."

On 6 March 2024 the Company announced its entry into the First ROX Loan Agreement and the Exclusivity Agreement and on 28 March 2024 it announced its entry into the Second ROX Loan Agreement and that it had agreed an amendment to the Exclusivity Agreement such that the size of the proposed Fundraising was increased from £6.5 million to £8.5 million. The ROX Loan Agreements were entered into in order to assist the Company in meeting its immediate working capital requirements.

Further to its announcement on 27 February 2024, the Company announced on 27 March 2024 that it had concluded negotiations with the Company's largest supplier referenced in the 27 February 2024 announcement and provided the following information in respect of the outcome of the negotiations:

"... it has now concluded negotiations with a supplier (the "Supplier") in respect of existing and future supply arrangements under an addendum to an existing supply contract ("Addendum")."

Under the Addendum, contract minimum utilisation levels have been reduced to bring them in line with the Company's current license usage rates until 2025 and are expected to increase thereafter in line with usage over the life of the contract as Sondrel scales. Payments will be made quarterly according to utilisation and licence bundles drawn down. Historical license fee liabilities currently owed by the Company to the Supplier are to be paid in equal monthly instalments of US\$0.2 million up to April 2027 and total cash payments to the Supplier are expected to not exceed US\$1.9 million in 2024."

The attention of Shareholders is drawn to the principal risks and uncertainties of the Group detailed on pages 11 to 12 of the Company's 2022 Annual Report and Accounts published on 24 May 2023.

4. TRANSFORMATION PLAN

On 28 March 2024, the Company announced that it has resolved to adopt a Transformation Plan, which is currently expected to be fully implemented within six months from its adoption on 28 March 2024, based on the outcomes of ROX's due diligence into the Group carried out in connection with their proposed investment in the Company. The Transformation Plan will assist the Company in re-establishing its baseline costs, introducing revised robust management processes and refocusing the business to resolve matters that are central to the cash flow issues faced by the Group to date.

Through the Transformation Plan, the Company will continue to focus on the Group's core customer and supplier relationships and believes that the changes proposed at Board and managerial levels outlined in paragraph 5 of this Part I (*Letter from the Chairman*) will provide the Company with the breadth and depth of expertise to execute its plan.

The Company recognises the need to strengthen the management of projects and to further develop its intellectual property to ensure that it maintains and strengthens its capability to deliver projects efficiently utilising the most advanced technologies.

The Company attaches great importance to the skills and experience of the Group's employees and recognises the contribution that they have made to date, and believes that a greater focus on the management of the projects coupled with the increased development of intellectual property will enable strong growth in the target markets. The Company intends to review the Group's current incentivisation structure and establish a revised scheme for its employees.

In the long term, the Company will look to revise its growth strategy focusing on learned experiences and will seek growth opportunities including via strategic acquisitions.

The Company is currently undertaking a review to reduce its cost base and increase its revenue. The review will include the Company assessing the most efficient use of the locations in which the Group operates and the Group's headcount. The initial review has been completed and resulted in 13 employees being made redundant at the end of April.

As part of the Transformation Plan the Company has resolved (including by unanimous approval of the independent Non-Executive Directors) to seek a proposal to cancel the admission of the Ordinary Shares to trading on AIM ("**Cancellation**") in such manner that would allow an orderly exit for those shareholders who do not wish to hold shares in a private company environment, where a trading facility will not be offered. The Company and ROX are of the opinion that the costs and complexities of being quoted on AIM do not benefit the Company and its Shareholders during a period where the business is undergoing transformation. It is anticipated that a Cancellation resolution will be put to Shareholders within six months of completion of the Fundraising.

5. BOARD AND MANAGEMENT CHANGES

On 28 March 2024, it was announced that Graham Curren would transition from his role as Chief Executive Officer of the Company and on completion of the Fundraising would become Chief Executive Officer of a newly established subsidiary of the Company. However, following the announcement of 28 March 2024, it has been agreed instead that on completion of the Fundraising, Mr Curren will become Chief Executive Officer of Sondrel Ventures Ltd, an existing subsidiary of the Company incorporated in the UK. Sondrel Ventures Ltd will concentrate on the strategy and growth of the Group including acquisition opportunities in the semiconductor value chain. In this new role, Graham's significant experience and relationships with participants in the semiconductor industry will continue to deliver value to the Company. Graham will retain his role as a statutory director on the board of the Company, however, with effect from 2 April 2024, Graham has moved to a Founder and Non-Executive Director role as further detailed in paragraphs 13.1 and 13.2 of Part II (*Takeover Code Disclosures for the Purpose of the Rule 9 Waiver*).

On 2 April 2024, David Mitchard was appointed by the Company as interim Chief Executive Officer in a non-board capacity. David has more than 20 years' experience in leading large corporate divisions in complex engineering environments and successfully implementing turnaround strategies. Most recently, David was Managing Director of Maritime Services at BAE Systems. David brings with him a wealth of experience which the Company believes will benefit its ability to execute the transformation of its business.

In connection with the Transformation Plan, the Company has appointed a transformation director, in a non-board capacity on an interim basis with effect from 8 April 2024. It is also expected that the Company will seek to create additional new managerial roles which may include, amongst others, a project management director.

Post completion of the Fundraising

It is expected that the following board changes will take effect on Admission:

1. Nigel Vaughan will retire from his position as Non-Executive Chairman of the Board and as a Non-Executive Director of the Company;
2. David Mitchard will become Chairman of the Board and, until such time as a suitable candidate can be found, will continue his role as interim Chief Executive Officer;
3. Fred Walsh will be appointed as a Non-Executive Director of the Board. Fred is currently Managing Director of Investment Banking at Stifel Nicolaus Europe Limited, bringing experience from previous roles at Praxonomy, Panmure Gordon, Arden Partners and Landsbanki. With a robust skill set that includes Corporate Finance, Investment Banking, Mergers & Acquisitions and extensive Capital Markets experience in the technology and telecoms sectors, Fred brings deep expertise in funding for the sector; and
4. Miles Woodhouse will be appointed as a Non-Executive Director of the Board as ROX's appointed director. Miles brings extensive experience in building businesses from his years as an entrepreneur and director on the boards of various UK technology groups. He has particular expertise in turning operations around through shaping strategy and making tactical acquisitions. Prior to joining ROX, Miles was the Chief Technology Officer of a £3bn subsidiary of a global defence business.

Both David Mitchard (once he is no longer interim Chief Executive Officer) and Fred Walsh will be deemed to be independent Non-Executive Directors alongside the Company's existing Non-Executive Directors, Sherry Madera and Adrian Carey. Prior to the Cancellation the Company intends to consider the roles of all Non-Executive Directors in the Company in connection with the Cancellation.

Under the terms of the Second ROX Loan Agreement, ROX has the right either to appoint two directors to the Board or to appoint two observers at meetings of the Board. As set out above, ROX has nominated Miles Woodhouse to become its representative director on the Board.

The Company is of the opinion that the revised Board structure will bring a range of experience to assist it in executing the Transformation Plan and provide a stable platform to accelerate growth.

Pursuant to the Transformation Plan, the Company will look to bolster management through appointing a permanent Chief Financial Officer, who will become a statutory director of the Company.

6. INTENTIONS OF ROX FOR THE COMPANY

As set out in paragraphs 4 and 5 of Part I (*Letter from the Chairman*) of this document, it is intended that there will be changes made to the business as part of the Transformation Plan, including the intention to undertake the Cancellation and certain board and management changes. ROX notes that regrettably the Transformation Plan has resulted in a headcount reduction of 13 employees being made redundant at the end of April.

ROX confirms that the Transformation Plan aligns with the outcomes of its due diligence on the Group and is therefore supportive of the Company's plan. Except as outlined in paragraphs 4 and 5 of this Part I (*Letter from the Chairman*), ROX has no intention to change the Company's plans in respect of:

1. the composition of the Board, the continued management of the Company and its subsidiaries (including any material change in engagement terms of its Non-Executive Directors);
2. the continued employment of the employees of the Company and its subsidiaries, including any material change in the conditions of employment or in the balance of the skills and functions of the employees;
3. the Company's future business and its strategic, research and development plans;
4. the location of the Company's headquarters or headquarter functions or the location of the Company's places of business;
5. the redeployment of the Company's fixed assets; or
6. employer contributions into the Company's pension schemes, the accrual benefits of existing members and the admission of new members.

ROX does not intend to put any incentivisation arrangements in place for the Company's management in connection with the Proposals.

The Board considers the Proposals to be in the best interests of the Company and the Shareholders as a whole and welcome the strategic rationale which underpins them. The Board also welcome the confirmations from ROX as set out above.

The Rule 9 Waiver Resolution will be proposed as an ordinary resolution to approve the Rule 9 Waiver. If the Rule 9 Waiver Resolution is passed by independent Shareholders on a poll at the General Meeting, the Takeover Panel will approve the Rule 9 Waiver and, subject to receipt of the NSIA Approval, will allow the issue of the ROX Subscription Shares and if relevant, the Additional Fundraising Shares, to ROX without ROX being required to make a mandatory offer under Rule 9 of the Takeover Code. If ROX were to participate in the Additional Fundraising, ROX would hold shares carrying more than 50 per cent. of the voting rights of the Company and could accordingly increase its aggregate interests in Ordinary Shares without incurring any obligation to make an offer under Rule 9 of the Takeover Code.

7. USE OF PROCEEDS

The Company has conditionally raised gross proceeds of £5,625,400 by way of the ROX Subscription. Under the ROX Subscription Letter, ROX has agreed, subject to the Regulatory Approvals having been received, to subscribe, at the Issue Price, for 56,254,000 New Ordinary Shares.

The net proceeds of the Fundraising (assuming the Regulatory Approvals are received), will be used to settle existing creditors, meet the Company's immediate working capital requirements and execute the Transformation Plan.

8. CONVERSION OF THE ROX LOANS AND THE ROX SUBSCRIPTION

ROX Loans and ROX Subscription

The total amount expected to be raised in the Fundraising is £8.5 million, comprising:

- the conversion of the principal sum of the First ROX Loan Agreement, being £874,600, into 8,746,000 New Ordinary Shares at a price of 10 pence per share;
- the conversion of the principal sum of the Second ROX Loan Agreement, being £2 million, into 20,000,000 New Ordinary Shares at a price of 10 pence per share; and
- the subscription by ROX for 56,254,000 New Ordinary Shares at a price of 10 pence per share pursuant to the terms of the ROX Subscription Letter.

The Fundraising is conditional upon the Regulatory Approvals outlined below. Assuming the Regulatory Approvals are received, ROX will upon Admission hold 85,000,000 Ordinary Shares being 49.29 per cent. of the Enlarged Share Capital.

The Issue Price of 10 pence per New Ordinary Share represents an approximate 54 per cent. premium to the closing middle market price of 4.6 pence per Existing Ordinary Share on 10 May 2024 (being the last practicable date prior to the date of the announcement of the Fundraising released by the Company on 14 May 2024).

Additional Financing

Additionally, if the Fundraising completes, the Company could request (but not require) ROX to invest up to a further £1.5 million by way of a subscription for up to 15,000,000 Ordinary Shares at a price of 10 pence per share pursuant to the terms of the Exclusivity Amendment Agreement. In the event that the Additional Fundraising of £1.5 million is required by the Company in full and agreed to by ROX, ROX will hold 100,000,000 Ordinary Shares being 53.34 per cent. of the Enlarged Share Capital.

Regulatory Approvals

The Fundraising is conditional upon the Shareholders approving the Rule 9 Waiver Resolution and the NSIA Approval. If approval is not obtained the Fundraising will not proceed.

Unless and until the NSIA Approval has been received, nothing in the ROX Subscription Letter or otherwise shall require or allow ROX's interest in the Company to exceed 25 per cent. of its total issued share capital.

The Takeover Panel has agreed to waive the obligation on ROX to make a general offer to all Shareholders that would otherwise arise pursuant to Rule 9 of the Takeover Code as referred to above, subject to the approval by the Shareholders (all of whom are considered independent for this purpose) of the Rule 9 Waiver Resolution on a poll.

If the Regulatory Approvals are not obtained, ROX will have the option to convert the ROX Loans into a total of 28,746,000 New Ordinary Shares (being the ROX Conversion Shares), at the agreed price of 10 pence per New Ordinary Share but will not subscribe for any further shares under the Subscription Letter. This will result in ROX's percentage holding in the Company being 24.74 per cent. of the share capital of the Company (as enlarged by the ROX Conversion Shares).

Statutory allotment authorities

The Company entered into the First ROX Loan Agreement on the basis of statutory authorities to allot shares and securities convertible into Ordinary Shares in the Company free from pre-emption rights which were granted at the Company's annual general meeting held on 27 June 2023.

The Company has entered into the Second ROX Loan Agreement on the basis of the statutory authorities to allot shares and securities convertible into Ordinary Shares in the Company which were granted at the Company's general meeting held on 25 March 2024.

The Company has sufficient statutory authorities to allot shares in connection with the issue and allotment of the ROX Subscription Shares.

In order to complete the Fundraising (due to the required Rule 9 Waiver resolution requirement) and to ensure the Company has sufficient statutory authorities to allot shares to execute the Additional Fundraising (should it need to do so), the Company requires the approval of the Resolutions by Shareholders holding the requisite number of Ordinary Shares at the General Meeting.

9. APPLICATION OF THE TAKEOVER CODE AND RULE 9 WAIVER

Takeover Code

The Company is subject to the Takeover Code. Under Rule 9 of the Takeover Code, any person who acquires an interest in shares (as defined in the Takeover Code) which, taken together with any shares in which that person or any other person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make an offer to all of the remaining shareholders to acquire their shares in the company.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company, but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interest in shares is acquired by any such person, or persons acting in concert with him, which increases the percentage of shares carrying voting rights held by such persons.

An offer under Rule 9 would have to be made in cash and at the highest price paid for any interest in shares by that person or by any person acting in concert with it within the 12 months prior to the announcement of the offer.

Rule 9 Waiver Resolution

As noted in paragraph 8 above, on Admission it is expected that ROX will be interested in shares carrying more than 30 per cent. of the voting rights of the Company but will not hold shares carrying more than 50 per cent. of the voting rights of the Company. The Takeover Panel may waive ROX's obligation to make an offer under Rule 9 if independent Shareholders (all Shareholders are deemed independent for this purpose) ("**Independent Shareholders**") pass the Rule 9 Waiver Resolution.

The Takeover Panel has been consulted and has agreed, subject to the passing of the Rule 9 Waiver Resolution by the Company's Independent Shareholders on a poll at the General Meeting, to waive the obligation of ROX to make a mandatory offer for the Ordinary Shares in the capital of the Company not already owned by them which would otherwise arise following completion of the Fundraising and if relevant, the Additional Fundraising. Accordingly, the Company is proposing the Rule 9 Waiver Resolution to seek the approval of the Company's Independent Shareholders to the Rule 9 Waiver Resolution.

Shareholders should be aware that under the Takeover Code, if a person (or group of persons acting in concert) holds interests in shares carrying 30 per cent. or more of the voting rights in that company and they do not hold shares carrying more than 50 per cent. of the voting rights in that company, no member of that group may acquire an interest in any other shares carrying voting rights in that company without incurring a similar obligation under Rule 9 to make a mandatory offer (save to the extent permitted by the Rule 9 Waiver).

Shareholders should also be aware that under the Takeover Code, if a person (or group of persons acting in concert) holds shares carrying more than 50 per cent. of the Company's voting rights, that person (or any person(s) acting in concert with him) may acquire further shares without incurring any obligation under Rule 9 to make a mandatory offer.

If ROX were to participate in the Additional Fundraising, ROX would hold shares carrying more than 50 per cent. of the voting rights of the Company and could accordingly increase its aggregate interests in Ordinary Shares without incurring any obligation to make an offer under Rule 9 of the Takeover Code.

The Rule 9 Waiver to which the Takeover Panel has agreed under the Takeover Code will be invalidated if any purchases are made by ROX or any party acting in concert with ROX in the period between the date of this document and the General Meeting. Furthermore, neither ROX

nor any person acting in concert with it, has purchased Ordinary Shares in the 12 months preceding the date of this document.

10. ADMISSION, SETTLEMENT, DEALINGS AND TOTAL VOTING RIGHTS

The New Ordinary Shares will, when issued, be credited as fully paid up and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the New Ordinary Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

Application will be made to the London Stock Exchange for the admission of the New Ordinary Shares to trading on AIM. Admission of the New Ordinary Shares to trading on AIM is expected to occur at 8.00 a.m. on 31 May 2024 (or such later times(s) and/or date(s) as Cavendish and the Company may agree).

Following Admission, the total number of Ordinary Shares in the capital of the Company in issue is expected to be 172,461,772 with each Ordinary Share carrying the right to one vote. There are no Ordinary Shares held in treasury and therefore the total number of voting rights in the Company is expected to be 172,461,772. The above 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 to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

11. GENERAL MEETING

The Company has called the General Meeting in order to (i) put to Independent Shareholders the Rule 9 Waiver Resolution required to approve the Rule 9 Waiver and to (ii) put to Shareholders the other Resolutions set out in Part III (Notice of General Meeting) of this document. Your attention is drawn to the fact that all of the Resolutions must be passed by Shareholders at the General Meeting in order for the Fundraising to proceed.

The Notice of General Meeting, which is proposed to be held at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB at 10.00 a.m. (UK time) on 30 May 2024, is set out at the end of this document.

The Rule 9 Waiver Resolution will be proposed as an ordinary resolution to approve the Rule 9 Waiver. If passed it will approve the Rule 9 Waiver and, subject to receipt of the NSIA Approval, will allow the issue of the ROX Subscription Shares and if relevant, the Additional Fundraising Shares, to ROX without ROX being required to make a mandatory offer under Rule 9.

The Takeover Code requires the Rule 9 Waiver Resolution to be passed by the Independent Shareholders only. All existing Shareholders are considered independent for this purpose.

At the General Meeting the following inter-conditional Resolutions will be proposed:

Resolution 2 – Authority to allot shares

Resolution 2 is an ordinary resolution to authorise the Directors to allot relevant securities with an aggregate nominal value of up to £15,000, being equal to 15,000,000 New Ordinary Shares (i.e. the maximum number of Ordinary Shares that may be allotted pursuant to or in connection with the Additional Fundraising).

Resolution 3 – Disapplication of statutory pre-emption rights

Resolution 3, which is conditional on the passing of Resolution 2, is a special resolution to authorise the Directors to allot up to 15,000,000 New Ordinary Shares (i.e. the maximum number of Ordinary Shares that may be allotted pursuant to or in connection with the Additional Fundraising) for cash on a non-pre-emptive basis.

The authorities given by the Resolutions 2 and 3 will be in addition to any existing similar authorities which the Directors may have.

If the Resolutions are not approved by Shareholders at the General Meeting, no Ordinary Shares will be issued to ROX pursuant to the Fundraising and the Fundraising will not proceed. As such, the anticipated net proceeds of the Fundraising would not become available to the Company. There is no certainty that other funding would be available on suitable terms or at all. Accordingly, in light of the Group’s reducing cash position, it would be likely that the Company would have to ceasing trading in such circumstances.

Furthermore, if the Resolutions are not passed at the General Meeting, the Company will not have the necessary allotment authorities in place to allot the new Ordinary Shares needed for the Additional Fundraising, should the Company and ROX proceed with the Additional Fundraising in the 12-month period following completion of the Fundraising.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Whether or not you intend to be present at the General Meeting, you are asked to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible and, in any event, by no later than 10.00 a.m. on 28 May 2024 (or, in the case of an adjourned General Meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a working day). For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Form of Proxy.

Alternatively, Shareholders can submit their vote electronically using the link www.signalshares.com. Shareholders can use this service to vote or appoint a proxy electronically by logging into their Signal Shares account, or register if they have not previously done so, by no later than 10.00 a.m. on 28 May 2024 (or, in the case of an adjournment of the General Meeting, not less than 48 hours before the time fixed for the holding of the adjourned General Meeting (at the discretion of the Directors, excluding any part of a day that is not a working day)).

Alternatively, you may submit your vote electronically via LinkVote+ as soon as possible and, in any event, by no later than 10.00 a.m. on 28 May 2024 (or, in the case of an adjourned General Meeting, no later than 48 hours before the time of such meeting, excluding any part of a day that is not a working day). LinkVote+ is a free app for smartphone and tablet provided by Link Group. It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below:

Apple App Store



GooglePlay



If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.00 a.m. on 28 May 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned General Meeting excluding any part of a day that is not a working day. Before you can appoint a proxy via this process you will need to have agreed to Proxymity’s associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

If you hold your Existing Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company’s Registrar, Link Group, by no later than 10.00 a.m. on 28 May 2024 (or, in the case of an adjournment of the General Meeting, not less than 48 hours

before the time fixed for the holding of the adjourned General Meeting (at the discretion of the Directors, excluding any part of a day that is not a working day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. Appointment of a proxy electronically via your Signal Shares account, LinkVote+, Proxymity or the CREST proxy voting service or via completion of a hard copy Form of Proxy will not prevent you from attending and voting at the General Meeting, or any adjournment of it, in person should you be entitled to and wish to do so.

If Shareholders require help with voting online or if they have any queries in relation to voting, they should contact the Company's Registrar, Link Group, on Tel: 0371 664 0391 or by email at shareholderenquiries@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.00 p.m., Monday to Friday (excluding public holidays in England and Wales).

13. INDEPENDENT ADVICE IN RESPECT OF THE WAIVER

The Takeover Code requires the Directors to obtain competent independent advice regarding the merits of the Proposals. Cavendish has provided formal advice to the Directors regarding the Proposals and in providing such advice, Cavendish has taken into account the Directors' commercial assessments. Cavendish confirms that it, and any person who is or is presumed to be acting in concert with it, is independent of ROX and has no personal, financial or commercial relationship, or arrangements or understandings with ROX. Cavendish has given and has not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they are included.

14. RECOMMENDATION AND IRREVOCABLE UNDERTAKINGS

The Board, having been so advised by Cavendish, consider the terms of the Fundraising and the Proposals to be fair and reasonable insofar as the Shareholders are concerned and therefore in the best interests of Shareholders taken as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings, amounting as at the Reference Date in aggregate to 40,390,736 Ordinary Shares, representing approximately 46.18 per cent. of the Existing Ordinary Shares. The Directors have undertaken to vote in favour of the Resolutions in respect of their respective beneficial holdings of Ordinary Shares in the Company.

Yours sincerely

Nigel Vaughan
Non-executive Chairman

PART II

TAKEOVER CODE DISCLOSURES FOR THE PURPOSE OF THE RULE 9 WAIVER

1. RESPONSIBILITY

For the purposes of Rule 19.2 of the Takeover Code only: the directors of ROX (whose names are set out in paragraph 2 of this Part II (*Takeover Code Disclosures for the Purpose of the Rule 9 Waiver*) of this document accept responsibility for the information contained in this document (including any expressions of opinion) relating to ROX. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document (including any expressions of opinion), except for the information for which responsibility is taken by ROX pursuant to the above paragraph. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. INFORMATION ON ROX

ROX Equity Partners Limited

ROX Equity Partners Limited was incorporated in England and Wales on 30 August 2017 as a private limited company for the purpose of holding and managing investments within its investment portfolio. ROX is a UK-based private equity firm and long-term investor specialising in emerging technology companies.

ROX has approximately \$36.6 million (USD) under management across its investments in the health insurance technology sector. ROX has three full time employees and is headquartered in London.

The directors, registered office and other incorporation information of ROX are as follows:

Directors	Barend Esterhuyzen Albert Geldenhuys Paul Leaf-Wright Miles Woodhouse
Registered office	Devonshire House One Mayfair Place London, W1J 8AJ
Place of incorporation	England
Registered number	10937650

In its latest filed unaudited financial statements for the year ended 30 September 2022, ROX held net assets of \$43.7 million (USD). ROX is not required to publish audited accounts or preliminary statements of annual results, half-yearly financial reports or interim financial information as a consequence of being a private limited company whose shares are not admitted to trading on a UK regulated market or on AIM or the Aquis Stock Exchange.

With effect from completion of the Fundraising, the assets of ROX will include the Ordinary Shares that it holds following the implementation of the Fundraising, and it will be entitled to/incur the earnings/liabilities that attach to such Ordinary Shares.

General

ROX does not have any public, current credit rating or outlook from a ratings agency.

ROX has used, or will use, as the case may be, existing cash resources to finance the provision of the ROX Loans and the ROX Subscription. Neither the provision of the ROX Loans nor the ROX Subscription has had, or will have, as the case may be, any effect on the earnings, assets or liabilities of ROX.

3. DISCLOSURE OF INTERESTS AND DEALINGS IN SHARES

3.1 Definitions

For the purposes of this paragraph 3, references to:

- 3.1.1 **“acting in concert”** has the meaning attributed to it in the Takeover Code;
- 3.1.2 **“arrangement”** includes any indemnity or option arrangements, or any agreement or understanding, formal or informal, of whatever nature, relating to the relevant securities which may be an inducement to deal or refrain from dealing;
- 3.1.3 **“associate”** includes (without limitation) in relation to a company:
 - (a) its parent, subsidiaries and fellow subsidiaries, its associated companies and companies of which any such companies are associated companies (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
 - (b) its connected advisers (as defined in the Takeover Code) or the connected advisers to a company covered in (a) above, including persons (other than exempt principal traders or exempt fund managers) controlling, controlled by or under the same control as such connected advisers;
 - (c) its directors (together with their close relatives and related trusts);
 - (d) its pension funds or the pension funds of a company covered in (a) above; and
 - (e) its employee benefit trusts or those of a company covered in (a) above;
- 3.1.4 **“borrowed or lent”** includes for these purposes any financial collateral arrangement of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code, but excludes any borrowed shares which have either been redelivered or accepted for redelivery;
- 3.1.5 **“connected persons”** means in relation to a director, those persons whose interests in Ordinary Shares the director would be required to disclose pursuant to Part 22 of the Companies Act and related regulations and includes any spouse, civil partner, infants (including step children), relevant trusts and any company in which a director holds at least 20 per cent. of its voting capital;
- 3.1.6 **“dealing”** or **“dealt”** includes:
 - (a) acquiring or disposing of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities;
 - (b) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any relevant securities;
 - (c) subscribing or agreeing to subscribe for relevant securities;
 - (d) exercising or converting, whether in respect of new or existing relevant securities, any relevant securities carrying conversion or subscription rights;
 - (e) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to relevant securities;
 - (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
 - (g) redeeming or purchasing, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and

- (h) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

3.1.7 a person having an “**interest**” in relevant securities includes where a person:

- (a) owns securities;
- (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
- (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- (d) is party to any derivative whose value is determined by reference to the prices of securities and which results, or may result, in his having a long position in them;

3.1.8 “**relevant securities**” includes:

- (a) securities of an offeree company which are being offered for or which carry voting rights;
- (b) equity share capital of the offeree company and an offeror;
- (c) securities of an offeror which carry substantially the same rights as any to be issued as consideration for the offer; and
- (d) securities of an offeree company and an offeror carrying conversion or subscription rights into any of the foregoing.

3.2 **Interests of ROX**

The interests of ROX in relevant securities of the Company are set out below:

<i>Interest</i>	<i>Number of Ordinary Shares</i>
Existing Ordinary Shares	nil
ROX Conversion Shares*	28,476,000
ROX Subscription Shares** (under the ROX Subscription Letter)	56,254,000

* Unless and until NSIA Approval is received, ROX’s percentage stake in the Company shall not in any circumstances exceed 25 per cent. of the Enlarged Share Capital.

** The ROX Subscription Shares being issued is subject to (i) NSIA Approval being received, (ii) the Rule 9 Waiver Resolution being passed, and (iii) Admission occurring.

It is not intended that any of the ROX Conversion Shares or any of the new Ordinary Shares to be issued to ROX pursuant to the ROX Subscription will be transferred to any other persons.

3.3 **No dealings by ROX**

As at the Reference Date, neither ROX nor any person acting in concert with it, has acquired any interest in relevant securities in the Company in the 12 months preceding the date of this document. There are therefore no disqualifying transactions under paragraph 3 of Appendix 1 to the Takeover Code.

3.4 **Dealings of the Directors of the Company**

None of the Directors have dealt in any relevant securities of the Company in the 12 months ended on the Reference Date.

3.5 **Director Interests in Ordinary Shares**

As at the Reference Date, the interests of the Directors, their close relatives and related trusts and connected persons (all of which are beneficial unless otherwise stated) in relevant securities of the Company were as follows:

<i>Director</i>	<i>Legally owned</i>	<i>Options</i>
Non-Executive Directors		
Nigel Vaughan	1,001,370	Nil
Adrian Carey	90,500	Nil
Sherry Madera	45,000	Nil
Graham Curren	39,253,866*	Nil

* Includes Ordinary Shares held by Claire Curren (Graham Curren's wife) and Ordinary Shares held by Graham Curren and Claire Curren as trustees of The Curren 2022 Family Settlement.

3.6 **General**

- 3.6.1 Save as disclosed in paragraph 3 of this Part II (*Takeover Code Disclosures for the Purpose of the Rule 9 Waiver*) of this document, neither ROX nor any of its subsidiaries nor any of their respective directors, nor any close relatives, related trusts or connected persons, nor any person acting in concert with ROX owns or controls or is interested, directly or indirectly in, or has borrowed or lent (save for any borrowed securities which have either been on-lent or sold), has rights to subscribe for, or has any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery in, any relevant securities of the Company, nor has any such person dealt therein during the 12 months prior to the Reference Date.
- 3.6.2 Save as disclosed in paragraph 3 of this Part II (*Takeover Code Disclosures for the Purpose of the Rule 9 Waiver*) of this document, neither the Company, any of the Directors nor any of their close relatives or related trusts (so far as the Directors are aware having made due enquiry) nor any person acting in concert with the Company is interested, directly or indirectly, has rights to subscribe to, or has any short position in relevant securities of the Company, nor has any such person dealt therein during the 12 months prior to the Reference Date.
- 3.6.3 Neither the Company, the Directors, nor any person acting in concert with the Company has borrowed or lent any relevant securities (save for any borrowed securities which have either been redelivered or accepted for redelivery).
- 3.6.4 Neither the Company, nor any of the Directors nor any of their connected persons is interested directly or indirectly in, or has rights to subscribe for, or has any short position in relevant securities of ROX or any interest or security which is convertible into, or exchangeable for, rights to subscribe for and options in respect of, and derivatives referenced to, any such relevant securities.
- 3.6.5 There is no arrangement relating to relevant securities which exists between ROX, or its group or, so far as ROX is aware, any person acting in concert with ROX or its group, and any other person, nor between the Company or, so far as Company is aware, any person acting in concert with the Company and any other person.

4. **ARRANGEMENTS WITH ROX**

There is not any agreement, arrangement or understanding (including any compensation arrangement) which exists between ROX or any person acting in concert with ROX and any of the Directors, recent directors of the Company, Shareholders or recent shareholders of the Company, or any other person interested or recently interested in Ordinary Shares, which has any connection with or dependence upon the Proposals.

If the Rule 9 Waiver Resolution is passed by the Shareholders (all of whom are independent for this purpose) on a poll, there is no agreement, arrangement or understanding for the transfer by ROX of its Ordinary Shares to any third party.

Neither ROX nor any person acting in concert with ROX has any arrangement, agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing.

Each of the Directors has given to ROX an irrevocable undertaking to vote in favour of the Resolutions. Otherwise, neither ROX nor any of its associates has received any irrevocable commitment or letter of intent in relation to relevant securities of the Company.

5. MIDDLE MARKET QUOTATIONS

The middle market quotations for the Company on the first business day of each of the six months preceding the date of this document and on the Reference Date as derived from the Daily Official List, were:

<i>Date</i>	<i>Price (p)</i>
10 May 2024	4.6
1 May 2024	4.15
2 April 2024	4
1 March 2024	10.25
1 February 2024	5.1
2 January 2024	4.8
1 December 2023	7.1

6. IRREVOCABLE UNDERTAKINGS

The Directors have each given to ROX and the Company an irrevocable undertaking to vote in favour of the Resolutions at the General Meeting in respect of their own beneficial holdings amounting to in aggregate 40,390,736 Ordinary Shares, representing approximately 46.18 per cent. of the Existing Ordinary Shares.

The irrevocable undertakings include undertakings, amongst others, to:

- (a) before the undertaking lapses, not deal in the relevant Ordinary Shares or any interest in all or any of them or permit any dealing, nor enter into any agreement or arrangement (whether conditional or not) to deal, nor accept (or permit to be accepted) any offer in respect of all or any of such Ordinary Shares;
- (b) vote, or procure to vote, in favour of the Resolutions at the General Meeting;
- (c) vote, or procure to vote, in respect of the entirety of the Shareholder's Ordinary Shares in favour of any resolution calling for a poll on the Resolutions at the General Meeting; and
- (d) vote, or procure to vote, in favour of any resolution to de-list the Company at a future general meeting during the period that the irrevocable undertaking is valid for.

The irrevocable undertakings shall lapse and be of no further effect at 5.00 p.m. on 31 December 2024 (or such later date as ROX, the Company and each of Graham Curren, Nigel Vaughan, Adrian Carey and Sherry Madera may agree).

7. MATERIAL CONTRACTS OF ROX

Save for the ROX Documents, ROX has not entered into any material contract outside the ordinary course of business within the two years immediately preceding the Reference Date.

8. MATERIAL CONTRACTS OF THE COMPANY

The following is a summary of each material contract (not being entered into in the ordinary course of business) which has been entered into by any member of the Group within the two years immediately preceding the date of this document:

8.1 **ROX Subscription Letter (May 2024)**

Under the terms of the ROX Subscription Letter entered into between the Company and ROX on 14 May 2024, ROX has agreed, subject to receipt of the Regulatory Approvals, to subscribe for the ROX Subscription Shares which will result in ROX's percentage stake in the Company (including the ROX Conversion Shares) being 49.29 per cent. of the Enlarged Share Capital.

The ROX Subscription Letter is governed by English law.

8.2 **ROX Relationship Agreement (May 2024)**

On 14 May 2024, the Company entered into a relationship agreement (the “**ROX Relationship Agreement**”) with ROX pursuant to which ROX agreed, amongst other things, that:

- (a) the Group shall be managed for the benefit of shareholders as a whole and shall be capable at all times of carrying on its business independently of ROX and/or its associates;
- (b) all transactions, agreements and arrangements between any member of the Group and ROX or its associates) shall be on an arm’s length basis and on normal commercial terms;
- (c) at least 2 directors who are considered to be independent shall at all times be appointed to the Board;
- (d) any dispute between ROX and/or its associates and the Company (including any matter relating to the terms of the ROX Relationship Agreement) shall be dealt with by a committee comprising only independent directors; and
- (e) the remuneration and nomination committee and audit and risk committee established by the Board from time to time shall comprise a majority of independent directors and shall be chaired by an independent Director.

The ROX Relationship Agreement is effective for so long as ROX (together with its associates and any persons acting in concert with him) hold in aggregate shares in the capital of the Company representing 20 per cent. or more of the rights to vote at a general meeting of the Company. The ROX Relationship Agreement will lapse on Cancellation.

The ROX Relationship Agreement is governed by English law.

8.3 **Exclusivity Amendment Agreement (March 2024)**

Exclusivity Amendment Agreement as entered into between the Company and ROX on 28 March 2024 pursuant to which the Exclusivity Agreement referenced in paragraph 8.6 below was amended such that the size of the proposed Fundraising was increased from £6.5 million to £8.5 million, inclusive of the proceeds of the First Loan and Second Loan referenced in paragraphs 8.4 and 8.5 below.

Under the terms of the Exclusivity Agreement (as amended), ROX has confirmed, depending on the level of existing Shareholders' participation in the Fundraising and subject to certain conditions including, *inter alia*, NSIA Approval being obtained, the Rule 9 Waiver being obtained from the Takeover Panel and the approval of the Company's Shareholders of such Rule 9 Waiver, its willingness to subscribe for all of the new Ordinary Shares to be issued in the Fundraising to raise gross proceeds of £8.5 million for the Company.

In addition, under the amended terms of the Exclusivity Agreement, the Company has agreed, in the event that the Fundraising completes, to extend the exclusivity period for a further 12 months from completion of the Fundraising. During this 12-month period, ROX has agreed to consider a request from the Company to provide additional funding in order to finance the Transformation Plan (referenced in paragraph 4 of Part I (*Letter from the Chairman*)), up to a maximum additional amount of £1.5 million which would, if approved by ROX, be subscribed for by way of additional Ordinary Shares at 10 pence per Ordinary Share.

This agreement is governed by English law.

8.4 **Second ROX Loan Agreement (March 2024)**

The Second ROX Loan Agreement was entered into between the Company and ROX on 28 March 2024. The principal amount of the loan is £2,000,000 (“**Second Loan**”) and was drawn down by the Company on 28 March 2024 and was utilised by the Company to meet the Group’s March and April 2024 payroll and immediate working capital requirements.

The Second ROX Loan Agreement is substantially on the same terms as the first £874,600 loan agreement made between the Company and ROX which is described in paragraph 8.5 below. The same rate of interest of 15 per cent. per annum applies to the Second Loan which accrues daily and is payable quarterly on the last day of March, June, September and December with the Second Loan and any unpaid interest being repayable in full on the third anniversary of the drawdown date.

Subject to certain events set out in the Second ROX Loan Agreement, the principal amount of the Second Loan (excluding any interest accrued but unpaid or compounded) is convertible into Ordinary Shares at the discretion of ROX or, if earlier, automatically on completion of the proposed Fundraising. The conversion price for the principal amount will be 10 pence per Ordinary Share.

The Second Loan is secured by the all-monies debenture and deed of guarantee granted by the Company's UK subsidiaries, Sondrel Limited and Sondrel (SOC Solutions) Ltd, to ROX in connection with the First ROX Loan Agreement as referenced in paragraph 8.5 below.

This agreement is governed by English law.

8.5 **First ROX Loan Agreement (March 2024)**

The First ROX Loan Agreement was entered into between the Company and ROX on 5 March 2024. The principal amount of the loan is £874,600 ("**First Loan**") and was drawn down by the Company on 6 March 2024 and was utilised by the Company to meet the Group's February 2024 payroll and certain overdue supplier obligations.

Subject to earlier conversion, the loan together with all accrued interest thereon is repayable in full on the third anniversary of the draw down date.

The principal amount of the loan (excluding any interest accrued or compounded) is convertible into Ordinary Shares at the discretion of ROX or, if earlier, automatically on completion of the Fundraising.

The agreement provides for certain events of default including, but not limited to, the Company failing to satisfy the conditions to the Fundraising referenced in the Exclusivity Agreement or to complete the Fundraising within 6 months of the drawdown of the loan or the Company (or any other relevant member of the Group) failing to agree with its largest supplier new payment terms (which are acceptable to the ROX) within 90 days of the date of the agreement.

Prior to any conversion, the Company must pay daily accrued interest at a rate of 15 per cent. per annum quarterly on the last day of March, June, September and December (each an "**Interest Payment Date**"), with the First Loan and any unpaid interest being repayable in full on the third anniversary of the drawdown date. If the Company is unable to pay such interest (by reason of actual or anticipated financial difficulties), then the Company may, with the prior consent of ROX (acting reasonably), elect that on each such Interest Payment Date, all interest that has accrued during the relevant period will compound (on the basis that such compounded interest together with the principal will bear interest) and will be payable to ROX upon repayment of the First Loan.

The Company and its UK subsidiaries, Sondrel Limited and Sondrel (SOC Solutions) Ltd, have each entered into a debenture and deed of guarantee with ROX on an all monies basis which therefore covers monies owing under both of the ROX Loan Agreements and any other amounts from time to time owing to ROX by the Company and/or those subsidiaries.

This agreement is governed by English law.

8.6 **Exclusivity Agreement (March 2024)**

On 5 March 2024 the Company entered into an exclusivity agreement with ROX, granting ROX the right to participate, alongside existing Shareholders, in the Fundraising ("**Potential Investment**").

ROX's Potential Investment is conditional upon, *inter alia*, obtaining shareholder and regulatory approvals and also the completion of satisfactory due diligence.

Should ROX proceed with the Potential Investment, the Company agreed that ROX would have the right to subscribe for new Ordinary Shares representing (initially, and pending the necessary Rule 9 Waiver and approval of the Company's Shareholders to exceed this level) 29.9 per cent. of the Enlarged Share Capital and would, depending on the level of existing Shareholders' participation in the Fundraising and, subject to receipt of the Regulatory Approvals, subscribe for up to a total of 65,000,000 new Ordinary Shares at a price of 10 pence per share. ROX's maximum commitment to acquire up to 65,000,000 new Ordinary Shares includes the ROX Conversion Shares.

Under the terms of the Exclusivity Agreement, ROX will have the exclusive right to participate in the Potential Investment until 30 September 2024 or, if earlier, the date of termination of the agreement or the conclusion of definitive agreements in respect of the Fundraising. This period of exclusivity has been agreed in order to give the parties sufficient time to obtain the Regulatory Approvals.

This agreement is governed by English law.

8.7 **Standstill and Option to Purchase (March 2024)**

On 5 March 2024, Sondrel Limited, ROX and Sprk entered into a standstill and option to purchase agreement pursuant to which Sprk consented to the creation and subsistence of the First ROX Loan Agreement and the all-monies debenture and deed of guarantee granted by the Company's UK subsidiaries, Sondrel Limited and Sondrel (SOC Solutions) Ltd, to ROX in connection with the First ROX Loan Agreement.

Under the terms of this agreement each of ROX and Sprk have agreed to not give notice of an appointment of any administrator, receiver, manager or administrative receiver (or any similar receiver) (i) without the prior written consent of the other, or (ii) in the case of Sprk only, Sprk having given not less than 30 days' prior written notice to do so in writing, or (iii) in the case of ROX only, in the event that the Company has repaid the monies owed to Sprk in full. ROX also has the option to require Sprk to transfer Sprk's existing debt owed to ROX on terms mutually agreed between the parties.

Furthermore, subject to certain conditions set out in the agreement, ROX may at any time by giving not less than one business days' notice to Sprk, require the transfer to it (or to a nominee or nominees) of all, but not part, of the rights and obligations of the Sprk Capital Loans and associated security reference below.

This agreement is governed by English law.

8.8 **Cavendish Engagement Letter (January 2024)⁽¹⁾**

On 16 January 2024, the Company entered into an engagement letter with Cavendish pursuant to which Cavendish has conditionally agreed to use reasonable endeavours to procure subscribers for new Ordinary Shares to be issued by the Company pursuant to a placing to be conducted by the Company ("**Placing**") (the "**Cavendish Engagement Letter**").

The Cavendish Engagement Letter contains certain indemnities and undertakings given by the Company.

The Cavendish Engagement Letter continues until the earlier of (i) the Company paying Cavendish all the fees payable pursuant to clause 2 of the Cavendish Engagement Letter, (ii) the expiry of one month's prior written notice given by either party to the other, or (iii) Cavendish giving the Company written notice pursuant to clause 3.3 of the Cavendish Engagement Letter.

This engagement letter is governed by English law.

(1) Cavendish have agreed to fix their fee at £540,000.

8.9 **Deed of Novation (November 2023)**

The Nomad and Broker Agreement referenced in paragraph 8.13 below was transferred to Cavendish pursuant to the terms of a deed of novation dated 22 November 2023 and made between Cavendish, Cavendish Securities plc (formerly Cenkos Securities plc) ("**Cavendish Securities**") and the Company ("**Deed of Novation**").

Under the terms of the Deed of Novation, Cavendish Securities transferred its rights, obligations and liabilities under the Nomad and Broker Agreement to Cavendish with effect from 22 November 2023. With effect from 22 November 2023 and under the terms of the Deed of Novation, the Company has released and discharged Cavendish Securities from further performance of the Nomad and Broker Agreement and from all claims, demands and liabilities which it may have against Cavendish Securities under the Nomad and Broker Agreement.

The Deed of Novation is governed by English law.

8.10 **Sprk Capital Second Loan (September 2023)**

The loan agreement was entered into between Sondrel Limited and Sprk on 27 September 2023. The principal amount of the loan is £814,800, drawn in full on the date of the agreement.

The loan together with all accrued interest thereon is repayable in full no later than 30 June 2024.

Upon repayment of the loan the borrower must also pay interest which accrues and is added to the capital daily at a rate of 16 per cent. per annum.

The agreement provides for certain events of default including, but not limited to, cross default on other financial obligations of the borrower, the borrower becoming insolvent or unable to pay its debts, or the borrower (in the reasonable opinion of the lender) suffering a material adverse change in its financial condition.

The loan is secured by a debenture entered into by Sondrel Limited as borrower in favour of the lender on 27 September 2023. The Company also granted a corporate guarantee to Sprk on 27 September 2023 in connection with this loan.

This loan agreement is governed by English law.

8.11 ***Sprk Capital First Loan (July 2023)***

The loan agreement was entered into between Sondrel Limited and Sprk on 25 July 2023. The principal amount of the loan was £1,212,810 and this loan was obtained by Sondrel Limited for general working capital purposes.

The agreement provides for certain events of default including, but not limited to, cross default on other financial obligations of the borrower, the borrower becoming insolvent or unable to pay its debts, or the borrower (in the reasonable opinion of the lender) suffering a material adverse change in its financial condition.

Under the terms of this agreement, upon repayment of the loan the borrower must also pay interest which accrues and is added to the capital daily at a rate of 16 per cent. per annum.

The loan was secured by a debenture entered into by Sondrel Limited as borrower in favour of the lender on 26 July 2023.

The loan together with all accrued interest thereon was repayable in full no later than 30 November 2023 (or such later date as may be agreed between Sondrel Limited and Spark).

The loan, together with all accrued interest thereon, was repaid in full in September 2023 when Sondrel Limited received from HM Revenue & Customs payment due to it as relief for expenditure on research and development which is provided for under Chapters 1 to 4 of Part 13 of the Corporation Tax Act 2009.

This loan agreement is governed by English law.

8.12 ***Placing Agreement (October 2022)***

On 13 October 2022, the Company entered into a placing agreement (the “**2022 Placing Agreement**”) with Cenkos Securities plc (now Cavendish Securities plc) (“**Cenkos**”).

Pursuant to the 2022 Placing Agreement, Cenkos procured Placees for 36,363,636 new Ordinary Shares (the “**2022 Placing Shares**”) at an issue price of 55 pence per new Ordinary Share (the “**2022 Placing Price**”) (the “**2022 Placing**”).

In connection with the 2022 Placing, the Company agreed to pay Cenkos a commission based on the aggregate sum raised in the 2022 Placing. The Company further agreed to pay all expenses incurred by Cenkos in connection with the 2022 Placing.

The Company also agreed to grant Cenkos warrants to subscribe at the 2022 Placing Price for up to 874,617 new Ordinary Shares (representing 1 per cent. of the enlarged share capital of the Company at 2022 Admission), exercisable at any time from the first anniversary of 2022 Admission until the fourth anniversary of 2022 Admission. A summary of the warrant agreement is set out in paragraph 8.16 below.

This agreement is governed by English law.

8.13 ***Nominated Adviser and Broker Agreement (October 2022)***

On 13 October 2022, in connection with 2022 Admission, the Company entered into a nominated adviser and broker agreement with Cenkos (the “**Nomad and Broker Agreement**”), pursuant to

which Cenkos was appointed to act as nominated adviser and broker to the Company for the purposes of the AIM Rules.

The Nomad and Broker Agreement contains certain customary indemnities and undertakings given by the Company.

The Nomad and Broker Agreement was for a fixed initial term of 12 months and thereafter is terminable upon not less than 3 months' prior written notice by either the Company or Cenkos. The agreement is governed by English law.

8.14 **Lock-in Agreements (October 2022)**

On 13 October 2022, in connection with 2022 Admission, the Company and Cenkos entered into lock-in agreements (the "**Lock-in Agreements**") with each of (i) Graham Curren, (ii) Claire Curren and (iii) Graham and Claire Curren as trustees of The Curren 2022 Family Settlement, pursuant to which each of them agreed not to dispose of any of their interests in Ordinary Shares for a period of 18 months from the date of 2022 Admission and thereafter, for the following 12 months, only to deal in their Ordinary Shares through the Company's nominated broker at the time with a view to maintaining an orderly market. The lock-in agreements contain customary exceptions to these restrictions.

On 13 October 2022, in connection with 2022 Admission, the Company and Cenkos entered into lock-in agreements with each of Nigel Vaughan, Adrian Carey, Sherry Madera, Gordon Orr, Siemens and the Optionholders at the time, pursuant to which each of them agreed not to dispose of any of their interests in Ordinary Shares for a period of 12 months from the date of 2022 Admission. In addition, each of Nigel Vaughan, Adrian Carey, Sherry Madera, Gordon Orr and the Optionholders at the time have undertaken not to deal in their Ordinary Shares during the 12 month period from the first anniversary of 2022 Admission other than through the Company's nominated broker at the relevant time, in such manner as they may reasonably require with a view to maintaining an orderly market in the Ordinary Shares. The lock-in agreements contain customary exceptions to these restrictions.

8.15 **Curren Relationship Agreement (October 2022)**

On 13 October 2022, in connection with the 2022 Admission, the Company and Cenkos entered into a relationship agreement (the "**Curren Relationship Agreement**") with Graham Curren pursuant to which Graham Curren agreed, amongst other things, that:

- (a) the Group shall be managed for the benefit of shareholders as a whole and shall be capable at all times of carrying on its business independently of Graham Curren and/or his associates;
- (b) all transactions, agreements and arrangements between any member of the Group and Graham Curren (or his associates) shall be on an arm's length basis and on normal commercial terms;
- (c) at least 2 directors who are considered to be independent shall at all times be appointed to the Board;
- (d) any dispute between Graham Curren and/or his associates and the Company (including any matter relating to the terms of the Curren Relationship Agreement) shall be dealt with by a committee comprising only independent directors; and
- (e) the remuneration and nomination committee and audit and risk committee established by the Board from time to time shall comprise a majority of independent directors and shall be chaired by an independent Director.

The Curren Relationship Agreement is effective for so long as Graham Curren (together with his associates and any persons acting in concert with him) hold in aggregate shares in the capital of the Company representing 20 per cent. or more of the rights to vote at a general meeting of the Company.

The Curren Relationship Agreement is governed by English law.

8.16 **Cenkos Warrant Agreement (October 2022)**

In connection with 2022 Admission and as provided for in the 2022 Placing Agreement, the Company executed a warrant agreement on 13 October 2022 (the "**Cenkos Warrant Agreement**") creating warrants to subscribe for, in aggregate, 874,617 Ordinary Shares (being 1.0 per cent. of the enlarged

share capital of the Company at 2022 Admission) at an exercise price of £0.55 per share (“**Warrants**”). The Warrants were issued to Cenkos upon 2022 Admission.

Under the terms of the warrant agreement the Warrants became exercisable on the first anniversary of 2022 Admission and remain exercisable until the fourth anniversary of 2022 Admission (following which they lapse if not exercised).

The Warrants can be exercised, in whole or in part by the warrant holder submitting a completed exercise notice and the relevant exercise monies. A request to exercise the Warrants is irrevocable once submitted to the Company, save with the consent of the Company.

The number of Ordinary Shares which would be granted upon exercise of the Warrants and/or the applicable subscription price may be adjusted in the event that changes are made to the Ordinary Shares (including sub-division and consolidation of the Ordinary Shares).

9. COMPANY’S FINANCIAL INFORMATION

The following documents are incorporated by reference in this document in compliance with Rule 24.15 of the Takeover Code, and are available from the Company’s website at <https://ir.sondrel.com/investors/results-reports-presentations>:

<i>Reference document</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in the reference documents</i>
Sondrel (Holdings) plc results for the Half Year ended 30 June 2023	Condensed Consolidated Statement of Comprehensive Income	Pages 8 to 9
	Condensed Consolidated Statement of Financial Position	Page 10
	Condensed Consolidated Statement of Changes in Equity	Pages 11 to 12
	Condensed Consolidated Statement of Cash Flows	Page 13
	Notes to the Condensed Consolidated Financial Statements	Pages 14 to 25
Sondrel (Holdings) plc Final Results for the Year ended 31 December 2022	Independent Auditors’ Report	Pages 55 to 60
	Consolidated Statement of profit and loss and other comprehensive income	Page 34
	Consolidated Statement of Financial Position	Page 35
	Consolidated Statement of Changes in Equity	Page 37
	Consolidated Statement of Cash Flows	Page 39
	Notes to Consolidated Financial Statements	Pages 40 to 81

10. MAJOR SHAREHOLDERS

In so far as is known to the Company, the name of each person who, directly or indirectly, is interested in voting rights representing 5 per cent. or more of the total voting rights in respect of the Company's issued ordinary share capital, and the amount of such person's holding, is as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>	<i>Percentage of issued share capital following completion of the Fundraising</i>	
			<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
Graham Curren	39,253,866*	44.88%	39,253,866*	22.76%

* Includes Ordinary Shares held by Claire Curren (Graham Curren's wife) and Ordinary Shares held by Graham Curren and Claire Curren as trustees of The Curren 2022 Family Settlement.

11. SIGNIFICANT CHANGES

Significant changes in the financial or trading position of the Company since 30 June 2023, the date of the most recent results for the Company, are disclosed in paragraph 3 of Part I (*Letter from the Chairman*).

12. RATINGS AND OUTLOOK

As at the date of this document, the Company does not have any public current credit rating or outlook from a ratings agency.

13. DIRECTORS OF THE COMPANY

The Directors of the Company and their principal functions in respect of the Company are:

<i>Director</i>	<i>Position</i>
Nigel Vaughan	<i>Non-Executive Chairman</i>
Graham Curren	<i>Founder and Non-Executive Director</i>
Adrian Carey	<i>Non-Executive Director</i>
Sherry Madera	<i>Non-Executive Director</i>

The business address of each of the Directors is Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB.

13.1 *Director Remuneration and Benefits*

Chief Executive Officer Contract, Remuneration and Emoluments

Graham Curren was the Company's Chief Executive Officer and, in anticipation of completion of the Fundraising, Mr Curren and the Company have agreed that, with effect from 28 March 2024, Mr Curren is a Non-Executive Director of the Company and he will transition from his role as Chief Executive Officer of the Company to founder of the Company and Chief Executive Officer of Sondrel Ventures Ltd. In light of this transition, Mr Curren's service contract dated 13 October 2022 was amended, pursuant to the terms of a deed of amendment entered into between Mr Curren and the Company on 28 March 2024 ("**Deed of Amendment**"), to confirm that Mr Curren will cease to be an Executive Director of the Company and shall be required to carry out the duties expected of a Founder and Non-Executive Director of the Company with effect from 2 April 2024. Furthermore, with effect from completion of the Fundraising, Mr Curren's engagement with the Company will transfer to Sondrel Ventures Ltd. In connection with his appointment as a Non-Executive Director of the Company, the Company and Mr Curren entered into a letter of appointment, the terms of which are summarized in paragraph 13.2 of this Part II (*Takeover Code Disclosures for the Purpose of the Rule 9 Waiver*).

Graham Curren Service Contract

The service contract (as amended) of Mr Curren is summarised below and, other than as described above, has not been amended in the six months preceding the publication of this document.

<i>Name</i>	<i>Job Title</i>	<i>Date of Contract</i>	<i>Term</i>	<i>Notice period</i>	<i>Base salary</i>	<i>Bonus entitlement</i>
Graham Curren	Chief Executive Officer	13 October 2022 and amended on 28 March 2024	Rolling	6 months	£255,000	Discretionary but capped at 100% of base salary

Notes:

- (1) Base salary is subject to annual review and any bonus is discretionary and following all due consideration by the Company's remuneration committee. Under the terms of the Deed of Amendment, Mr Curren is not entitled to receive a bonus payment for the 2023 bonus year and no further bonus payments will be made by the Company to Mr Curren in respect of the 2023 bonus year.

Mr Curren's appointment can be terminated without notice and with immediate effect in the event of serious or repeated breach or non-observance of any of the provisions of the agreement or his gross misconduct.

Benefits

Mr Curren is entitled to the following benefits under his service contract:

<i>Name</i>	<i>Life assurance</i>	<i>Car</i>	<i>Personal Medical Insurance</i>	<i>Employer pension contribution</i>
Graham Curren	Yes	Yes	Yes	3%

Termination Payments

Save as disclosed in this paragraph 13.1, there are no existing contracts between Mr Curren and the Company or Sondrel Ventures Ltd which provide for benefits upon termination of appointment. In the event of Mr Curren's departure from Sondrel Ventures Ltd, the termination payments are as follows:

- (a) Mr Curren has no right to a bonus or a time-apportioned bonus if he has not been employed throughout the whole of the relevant financial year or his employment terminates for any reason or he is under notice of termination (whether given by Mr Curren or by Sondrel Ventures Ltd) at or before the date when a bonus might otherwise have been payable; and
- (b) Sondrel Ventures Ltd may pay basic salary in lieu of notice and such payment excludes any bonus or commission payments that might otherwise have been due during the notice period, any payment in respect of benefits which you would have been entitled to receive during the notice period and any payment in respect of any holiday entitlement that would have accrued during the notice period. Sondrel Ventures Ltd may make such payment as a lump sum or in equal instalments. If Sondrel Ventures Ltd decides to make such payment in instalments, such payment will be reduced by any remuneration earned by Mr Curren from any office or employment during what would have been the notice period.

Options

Mr Curren is not an Optionholder.

Commission or profit sharing arrangements

There is no commission or profit-sharing arrangement under the terms of Mr Curren's service contract.

13.2 **Non-Executive Directors' Letters of Appointment**

Each of the Non-Executive Directors has been appointed pursuant to a letter of appointment, which contains a three-month notice period.

Continuation of a Non-Executive Director's appointment is subject to continued satisfactory performance in accordance with the terms of the letter of appointment and re-election by Shareholders at annual general meetings of the Company in accordance with the Company's articles of association.

The following table contains more information about the Non-Executive Directors' letters of appointment:

<i>Name</i>	<i>Effective date of appointment</i>	<i>Date of letter of appointment</i>	<i>Term (years)</i>	<i>Notice period by the Company (months)</i>	<i>Notice period by the Non-Executive Director (months)</i>
Nigel Vaughan	21 October 2022	13 October 2022	3	3	3
Adrian Carey	21 October 2022	13 October 2022	3	3	3
Sherry Madera	21 October 2022	13 October 2022	3	3	3
Graham Curren	28 March 2024	28 March 2024	3	3	3

Notes:

- (1) Prior to being appointed a Non-Executive Director, Mr Vaughan had been a statutory director of the Company since 1 July 2011.

Previous letters of appointment

The Non-Executive Directors' letters of appointment have not changed in the six months preceding the publication of this document.

Non-Executive Directors' remuneration and emoluments in FY 2022/23

The following table sets out details relating to the Non-Executive Directors' emoluments for the year ending 31 December 2023.

<i>Name</i>	<i>Salary/fees for FY 2022/23</i>	<i>Benefits in kind</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Nigel Vaughan	70,000	–	70,000
Adrian Carey	50,000	–	50,000
Sherry Madera	50,000	–	50,000
Graham Curren	0	–	

Non-Executive Directors are not entitled to participate in any Company incentive schemes, are not eligible to join the Company's pension and benefit and are not eligible for compensation for loss of office.

14. PERSONS ACTING IN CONCERT WITH THE COMPANY

In addition to the Directors (together with their close relatives and related trusts) and members of the Group, the persons acting in concert with the Company for the purposes of the Proposals and which are required to be disclosed are:

<i>Name</i>	<i>Type of company</i>	<i>Relationship with the Company</i>
Cavendish Capital Markets Limited	Financial Services	Rule 3 adviser, corporate broker and nominated adviser to the Company

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) on the Company's website at <https://ir.sondrel.com/investors> and at the registered office of the Company at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB:

- (a) the irrevocable undertakings referred to in paragraph 6 of this Part II (*Takeover Code Disclosures for the Purpose of the Rule 9 Waiver*);
- (b) articles of association of the Company;
- (c) the Group's audited statutory accounts for the financial period ended 31 December 2022;
- (d) the Group's unaudited interim accounts for the half year to 30 June 2023;
- (e) the written consent by Cavendish referred to in paragraph 13 of Part I (*Letter from the Chairman*) of this document;
- (f) the memorandum and articles of association of ROX;
- (g) copies of the ROX Loan Agreements and the Exclusivity Agreement;
- (h) a copy of the ROX Subscription Letter;
- (i) a copy of the ROX Relationship Agreement;
- (j) copies of the Form of Proxy and this document.

Shareholders and any other person to whom this document is sent may request hard copies of this document from the Company at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB or by telephoning the Company on +44(0)118 9838 550.

PART III

NOTICE OF GENERAL MEETING

SONDREL (HOLDINGS) PLC

(incorporated and registered in England and Wales with registered number 07275279)

NOTICE IS HEREBY GIVEN that a general meeting of Sondrel (Holdings) plc (the “**Company**”) will be held at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB at 10.00 a.m. (UK time) on 30 May 2024 (the “**Meeting**”) for the purposes of considering and, if thought fit, passing the following Resolutions of which Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution, and in which capitalised terms shall have the meanings given in the circular to shareholders issued by the Company dated 14 May 2024 of which this notice forms part (“**Circular**”), save where otherwise specified:

ORDINARY RESOLUTIONS

1. THAT the waiver granted by the Panel on Takeovers and Mergers of the obligation that would otherwise arise on ROX Equity Partners Limited to make a general offer to the shareholders of the Company pursuant to Rule 9 of the Takeover Code as a result of the issue to them of up to 100,000,000 new ordinary shares of £0.001 each in the share capital of the Company in accordance with the ROX Loan Agreements, the ROX Subscription Letter and the Additional Fundraising, as described in the Circular, be and is hereby approved.
2. THAT the directors of the Company (“**Directors**”) be generally and unconditionally authorised in accordance with section 551 of the Act, in addition to any existing authorities (and without prejudice to any allotment of shares or grant of rights to subscribe for, or to convert any security into, shares in the Company already made, offered or agreed to be made pursuant to such existing authorities), to exercise all powers to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (together “**Relevant Securities**”) up to an aggregate nominal amount of £15,000, in connection with the Additional Fundraising or any other equity fundraising which the Directors may pursue in the event that ROX does not proceed with the Additional Fundraising, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 15 months after the passing of this Resolution 2, save that the Directors may at any time before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the power conferred by this Resolution 2 has expired.

SPECIAL RESOLUTION

3. THAT, conditional upon the passing of Resolution 2 and in addition to any existing authority and without prejudice to any subsisting like authority, the Directors be generally empowered pursuant to section 570 of the Act, in addition to all existing authorities, to allot equity securities of the Company (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment, provided that this power is limited to the allotment of equity securities up to an aggregate nominal amount of £15,000, in connection with the Additional Fundraising or any other equity fundraising which the Directors may pursue in the event that ROX does not proceed with the Additional Fundraising (pursuant to the general authority conferred on them by Resolution 2 above (as varied from time to time by the Company in general meeting)) and the power hereby conferred shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 15 months after the passing of this Resolution 3, save that the Directors may at any time 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 such offer or agreement notwithstanding that the power conferred by this Resolution 3 has expired.

By order of the Board

Nigel Vaughan
Chairman

14 May 2024

Registered Office:

Sondrel House
Theale Lakes Business Park
Moulden Way
Sulhamstead
Reading RG7 4GB

Notes to the Notice of General Meeting

Entitlement to attend and vote

1. To be entitled to attend and vote at the Meeting (and for the purposes of the determination by the Company of the votes that may be cast in accordance with Regulation 41 of the Uncertified Securities Regulations 2001), only those Shareholders registered in the Company's register of members at close of business on 28 May 2024 (or, if the Meeting is adjourned, at close of business on the date which is two Business Days before the date of the adjourned Meeting) shall be entitled to attend and vote at the Meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

Website giving information regarding the Meeting

2. Information regarding the Meeting, including the information required by Section 311A of the Act, is available from <https://ir.sondrel.com/investors/shareholder-information#notices>.

Appointment of proxies

3. If you are a Shareholder of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting. You can appoint a proxy only using the procedures set out in these notes.
4. A proxy does not need to be a Shareholder of the Company but must attend the Meeting to represent you. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please indicate on your proxy submission how many shares it relates to.
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 Resolutions.
7. Appointment of a proxy will not prevent a Shareholder from attending and voting in person if they are entitled to do so.

Appointment of proxy using hard copy Form of Proxy

8. To be valid, the completed hard copy Form of Proxy should be returned to Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and, in any event, by not later than 10.00 a.m. on 28 May 2024 (or, if the Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). In the case of a Shareholder which is a company, the hard copy 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. 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. For the purposes of determining the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

Appointment of a proxy online

9. You may submit your proxy electronically using the Share Portal service at www.signalshares.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the Meeting applies. Shareholders will need to use the unique personal identification Investor Code printed on their share certificate. If you need help with voting online, please contact the Company's Registrar, Link Group's portal team on 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.00 p.m, Monday to Friday excluding public holidays in England and Wales. Link can also be contacted via email at shareholderenquiries@linkgroup.co.uk.

Appointment of a proxy using LinkVote+

10. LinkVote+ is a free app for smartphone and tablet provided by Link Group (the Company's Registrar). It offers shareholders the option to submit a proxy appointment quickly and easily online, as well as real-time access to their shareholding records. The same voting deadline of 48 hours (excluding non-working days) before the time of the Meeting applies. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below:

Apple App Store



GooglePlay



Appointment of proxies through Proxymity

11. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.00 a.m. on 28 May 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting, excluding any part of a day that is not a working day. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic

appointment of your proxy. An electronic proxy appointment via the Proximity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

Appointment of proxies through CREST

12. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com>). CREST personal Shareholders or other CREST sponsored Shareholders, and those CREST members who have appointed a voting 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. In order for a proxy appointment 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 & International Limited’s (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (ID: RA10) by the voting deadline of 48 hours (excluding non-working days) before the time of the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. 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.
14. In this connection, CREST members and, where applicable, their CREST sponsors or voting service 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.
15. Unless otherwise indicated on the Form of Proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

Appointment of proxy by joint shareholders

16. 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.

Changing proxy instructions

17. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Link Group as per the communication methods shown in note 8. 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.

Termination of proxy appointments

18. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Group, at the address shown in note 8. 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. The revocation notice must be received by Link Group no later than 48 hours before the Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, your proxy appointment will remain valid.

Corporate representatives

19. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its power as a Shareholder provided that they do not do so in relation to the same shares.
20. Corporate representatives should exhibit either an original or certified copy of the appropriate board resolution or an original letter confirming the appointment, provided it is on the corporation’s letterhead and is signed by an authorised signatory and accompanied by evidence of the signatory’s authority.

Issued shares and Total Voting Rights

21. An ordinary resolution requires a simple majority of votes cast by shareholders voting in person or by proxy at the meeting to be passed. A special resolution requires a majority of not less than 75 per cent. of votes cast by those who vote either in person or by proxy at the meeting to be passed.
22. As at 10 May 2024, the Company’s issued share capital comprised 87,461,772 ordinary shares of £0.001 each. Each share carries the right to one vote at a General Meeting of the Company and the Company holds no shares in treasury, therefore the total number of voting rights in the Company is 87,461,772. The website referred to in note 2 will include information on the number of shares and voting rights.

