

15 August 2022

**BlueRock Diamonds PLC ('BlueRock' or the 'Company')
Posting of Circular and Notice of Annual General Meeting**

BlueRock Diamonds PLC, the AIM listed diamond producer, which owns and operates the Kareevlei Diamond Mine ('Kareevlei') in the Kimberley region of South Africa, is pleased to announce that further to the announcement of 5 July 2022, a shareholder circular (the 'Circular') has been published today that contains information on the background to, and reasons for, the proposed redemption of the £1,066,411 Simple Loan Note to Teichmann Company Limited ('TCL') and parties connected with TCL (together, 'Teichmann'). Subject to shareholder approval, the Simple Loan Notes will be redeemed in consideration for the issue by the Company of the Subscription Shares and this will be accompanied by the issue of New Convertible Loan Notes of £583,746 and an amendment to the Existing CLN, subject to the conditions set out in the Subscription Agreement and summarised in the Circular (the 'Transaction'). The Transaction is conditional on the passing of a Whitewash Resolution and additional share authorities which are being proposed at an annual general meeting of the Company ("Annual General Meeting").

The Circular contains a notice convening an Annual General Meeting which will be held at 10.00a.m. on 7 September 2022, will be posted to Shareholders today and is available on the Company's website at www.bluerockdiamonds.co.uk.

Unless otherwise indicated, all defined terms in this announcement shall have the same meaning as described in the Circular.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

****ENDS****

For further information, please visit BlueRock's website www.bluerockdiamonds.co.uk or contact:

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Notes to editors:

BlueRock Diamonds is an AIM-listed diamond producer which operates the Kareevlei Diamond Mine near Kimberley in South Africa which produces diamonds of exceptional quality and ranks in the top ten in the world in terms of average value per carat. The Kareevlei licence area covers 3,000 hectares and hosts five known diamondiferous kimberlite pipes with a combined inferred resource of 10.4 million tonnes / 516,200 carats (February 2021); based on its planned production of 1 million tonnes per annum, this provides a minimum 10-year life of mine.

To Shareholders, option-holders and the holders of Existing CLNs

Dear All

PROPOSED ISSUE OF SUBSCRIPTION SHARES, NEW CONVERTIBLE LOAN NOTES, APPROVAL OF WAIVER GRANTED BY THE PANEL ON TAKEOVERS AND MERGERS OF RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS AND NOTICE OF ANNUAL GENERAL MEETING

1 INTRODUCTION

On 5 July 2022 the Company announced that it had entered into the Subscription Agreement with Teichmann Company Limited and parties connected with TCL for an aggregate £1,650,157 and that the Company's subsidiary, Kareevlei, had entered into the Facility Agreement with TSA for up to ZAR30m.

Subject to the satisfaction of a number of conditions relating to the grant of security, the Company expects, pursuant to the Subscription Agreement, to issue £1,066,411 Simple Loan Notes to the Noteholders with the intention that, subject to independent shareholder approval, further details of which are set out below, the Simple Loan Notes will be redeemed in consideration for the issue by the Company of the Subscription Shares and that this will be accompanied by the issue of New Convertible Loan Notes of £583,746 and an amendment to the Existing CLN, subject to the conditions set out in the Subscription Agreement and summarised below.

The Company is requesting the support of Shareholders for the passing of the Resolutions, which are required in order to complete the Teichmann Financing (to the extent not already completed) and to avoid the need to redeem the Simple Loan Notes in case the Resolutions are not passed. The Resolutions will be proposed at the Annual General Meeting to be held on 7 September 2022.

The Teichmann Concert Party currently holds 3,785,556 Ordinary Shares, equating to 17.4% of the issued ordinary share capital of the Company. The total number of Ordinary Shares of the Company immediately following issue of the Subscription Shares will be 37,011,192, of which the Teichmann Concert Party will hold 19,019,993 Ordinary Shares, representing 51.75% of the enlarged ordinary share capital of the Company. Following the issue of the Subscription Shares and conversion of the Existing CLNs and NCLNs into Ordinary Shares through the allotment and issue of the Existing Conversion Shares and the New Conversion Shares respectively, the enlarged share capital will be 52,094,972 Ordinary Shares (assuming no other share issues and exercise of Michael Houston's options), of which the Teichmann Concert Party would hold 34,103,773 Ordinary Shares, representing 65.46% of the enlarged issued ordinary share capital of the Company. The total enlarged share capital and the Teichmann Concert Party's holding may be further increased by the issue of shares in accordance with the Broker Option which is further described in paragraph 5 below. Under the Broker Option, the Teichmann Concert Party's holding would still represent a maximum of 65.46% of the enlarged issued ordinary share capital of the Company.

2 BACKGROUND

As announced by the Company on 1 June 2022, during the first five months of 2022, the Kareevlei Diamond Mine experienced nearly double its normal annual rainfall (561mm/22 inches). The wet season extended into what are normally considered dry months, April and May and in particular May, when the Company experienced over three times the long-term average, and this following on from a very wet Q1 had a significant impact on both mining development and processing against expectations.

Mining development fell 36% (400,000 tonnes) as compared to budget for April and May, which limited the mine's access to quality kimberlite and necessitated the use of lower grade and more difficult to handle material (clay content) in Kareevlei's processing operations. Additionally, where the Company

had hoped to ramp up production at its new 1Mtpa processing plant, the unforeseen lost days to rain and the lower-grade feed resulted in operations being down against budget over the period March to May by 48% on tonnes processed, 51% on grade and 74% on carats produced.

Accordingly, while South Africa has since experienced drier weather conditions, the delayed roll out of the Company's mining development plan has impacted production output in Q2, and will impact Q3 and therefore the 2022 outlook which was revised down in the Company's announcement of 11 July 2022. In addition, as a result of global economic conditions, the Company is facing increased costs of production due to higher diesel prices and increased costs of major suppliers.

As a result of fewer diamonds being produced and sold (3,570 and 2,699 carats respectively in Q2 2022 versus 5,442 and 5,106 in Q2 2021) as well as increasing costs, BlueRock's cash resources have been depleted during what continues to be a period of heavy investment in mining development. The Company, therefore, entered discussions with TCL to support it through this period.

On 5 July 2022, the Company announced the Noteholders' subscription for £1,066,411 Simple Loan Notes. If the Resolutions are passed, they will be refinanced by subscription for the Subscription Shares for £1,066,411 in aggregate. Further, if the Resolutions are passed, the Noteholders will subscribe for the New Convertible Loan Notes for £583,746 in aggregate and the Existing CLN will be amended as described section 4 of part 2.

If the Resolutions are not passed, then the Simple Loan Notes become redeemable immediately plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued. The refinancing of the Simple Loan Notes by subscription for the Subscription Shares, combined with the issue of the New Convertible Loan Notes and amendment of the Existing CLN, will, therefore, save the Company considerable liability.

The terms of the Subscription Agreement, the Simple Loan Note Instrument, the New Convertible Loan Note Instrument and amendment of the Existing CLN are summarised in section 4 of part 2.

The Teichmann Concert Party has been a substantial shareholder and partner of BlueRock for a number of years now and has a good working relationship with the Board. The Teichmann Financing will allow the Noteholders to increase their exposure to the Kareevlei mine which the Company believes offers considerable value to all shareholders particularly once the current expansion project, which the Teichmann Concert Party has helped to fund, is completed and the mine is operating at its targeted run rate of 1m tonnes per annum.

The Noteholders and TSA have confirmed that the NCLNs will be funded from their existing cash resources. No management incentivisation arrangements are agreed or proposed in connection with the Teichmann Financing.

3 THE TEICHMANN FINANCING

Subscription Agreement, SLNs and CLNs

On 4 July 2022 the Company and Noteholders entered into the Subscription Agreement pursuant to which £1,066,411 Simple Loan Notes will be issued to the Noteholders. The SLNs are redeemable on 7 September 2022 with zero interest payable. Subject to the passing of the Resolutions, the SLNs will be redeemed for 15,234,437 new Ordinary Shares, issued at £0.07 per share, which would have the effect of increasing the interest of the Teichmann Concert Party in the Company's voting share capital from 17.38% as at the date of the Circular to 51.75% (before conversion of the Existing CLN or the New Convertible Loan Notes but assuming the exercise of Michael Houston's options).

If the Resolutions are not approved by 7 September 2022, the Company will be required to redeem the Simple Loan Notes at the amount invested by the Noteholders plus the greater of £1,000,000 and the market value of the New Conversion Shares had they been issued.

Subject to approval of the Resolutions, a New Convertible Loan Note of £583,746 will be issued to the Noteholders, with a conversion price of £0.07 and a maturity date of 30 November 2025. The SLN, the NCLN and the Existing CLN will, subject to regulatory approval in South Africa, be secured by a charge over the Company's shares in Kareevlei, as well as a charge over the Company's bank accounts for the benefit of TSA, as lender under the Facility Agreement, and the holders of the Existing CLNs, SLNs and New CLNs.

Furthermore, and again subject to the approval of the Resolutions, the Existing CLN of £1,610,000 will be amended to provide for redemption and to run to an extended term of 30 November 2025. It will also remove applicable interest to its maturity and amend the conversion price from 40 pence to 24.9 pence (the commercial effect among the parties being the same due to the treatment of interest and which will not alter the maximum number of shares to be issued under the Existing CLN, being 6,465,247 Ordinary Shares).

If the NCLN Subscription takes place, the Company will issue £583,746 of New Convertible Loan Notes to the Noteholders convertible into Ordinary Shares at a price of £0.07 per share.

The total number of Ordinary Shares of the Company immediately following issue of the Subscription Shares and conversion of the Existing CLNs and NCLNs into Ordinary Shares through the allotment and issue of the Existing Conversion Shares and the New Conversion Shares respectively would be 52,094,972 (assuming no other share issues and exercise of Michael Houston's options), of which the Teichmann Concert Party would hold 34,103,773 Ordinary Shares, representing 65.46% of the enlarged issued ordinary share capital of the Company.

Facility Agreement

On 4 July 2022, Kareevlei entered into a new extended credit facility with its mining contractor, TSA, for up to ZAR30 million which reduces to ZAR20 million 180 days after the effective date (being the date on which the borrower satisfies the conditions precedent to drawdown). Subject to South African regulatory approvals, where relevant, the facility will be secured over the plant, machinery, equipment and other moveable assets of Kareevlei. Subject to South African regulatory approvals, where relevant, the facility will also be guaranteed by the Company in favour of TSA and secured by a charge over the Company's bank accounts for the benefit of TSA and the holders of the Existing CLNs, SLNs and New CLNs.

Further details of the Subscription Agreement, SLN Instrument, NCLN Instrument and Existing CLN Amendment Deed are set out in section 4 of part 2 of the Circular.

Further details relating to TCL, its ultimate beneficial owners and the Teichmann Concert Party are set out in section 1 of part 2 of the Circular.

4 OTHER ARRANGEMENTS

In addition to the Teichmann Financing, the Company, its nominated adviser SP Angel and TCL have entered into a new Relationship Agreement. Under this agreement, TCL has the right to appoint up to three directors to the board of the Company (as long as this number is matched by independent directors who will retain the casting vote) and to participate in future fundraisings to maintain its shareholding (calculated on a fully diluted basis). This agreement includes typical clauses on the ability of the Company to operate independently of TCL. Further details of the Relationship Agreement are set out in section 4 of part 2 of the Circular.

The Company, Kareevlei, TCL and TSA have also entered into a Governance Agreement which sets out a framework under which TCL and other material shareholders of BlueRock and Kareevlei can appoint directors at the Kareevlei level subject to the Company retaining control of the operation of Kareevlei through a casting vote. The Company and TCL are to agree terms of reference for a management committee of Kareevlei, such committee to include an independent technical expert. Further details of the Governance Agreement are set out in section 4 of part 2 of the Circular.

Assuming the Resolutions are passed at the AGM to enable the Teichmann Financing to proceed (to the extent it has not at that time done so), it is the intention of Michael Houston, David Facey and Tim Leslie to resign as directors, subject to suitable replacements being identified.

5 BROKER OPTION

To provide Shareholders and other investors who were not able to participate in the Teichmann Financing the option to subscribe for Ordinary Shares at the issue price of 7p per share, the Company has agreed with Teichmann to provide the Broker Option. This allows subscriptions for up to an aggregate £0.3 million at 7p per share with priority given to existing Shareholders of the Company. The Teichmann Concert Party will subscribe for 65% of the total number of Ordinary Shares issued under the Broker Option such that its maximum percentage shareholding is maintained at no more than 65.46%. This has the effect of up to approximately £105,000 of the Broker Option being available to Shareholders and investors that are independent of the Teichmann Concert Party.

The maximum number of Ordinary Shares to be issued under the terms of the Broker Option, if exercised, will be 4,285,714 Ordinary Shares.

To subscribe under the Broker Option, Shareholders should communicate their interest to the SP Angel by 5:00 pm on 24 August 2022 via their independent financial adviser, stockbroker or other firm authorised by the Financial Conduct Authority, as SP Angel cannot take direct orders from individual private investors.

There is no guarantee that SP Angel will exercise the Broker Option or that Shareholders and investors will be able to acquire any Broker Option Shares.

6 SIGNIFICANT SHAREHOLDERS

The holders of more than 3% of the Company's Ordinary Shares following issue of the Subscription Shares, the Existing Conversion Shares and the New Conversion Shares are set out below: .

Name of Shareholder	Number of Ordinary Shares held at 12 August 2022	Percentage of issued ordinary share capital of the Company held as at 12 August 2022	Number of new Ordinary Shares following issue of the Existing Conversion Shares, the Subscription Shares and the New Conversion Shares	Percentage of issued ordinary share capital of the Company held immediately following issue of the Existing Conversion Shares, the Subscription Shares and the New Conversion Shares and assuming exercise of Michael Houston's options
TCL*	2,480,262	11.4	22,753,380	43.68
T3*	971,624	4.5	9,059,319	17.39
Binvic (Pty) Ltd	2,682,487	12.32	2,682,487	5.15
Edale Europe Absolute Master Fund	1,167,500	5.36	1,167,500	2.24

*Under common ownership, part of the Teichmann Concert Party

7 RELATED PARTY TRANSACTION

TCL, and certain connected parties connected with the owners of Teichmann Group, as a substantial Shareholder of the Company, are each considered to be a "related party" as defined under the AIM Rules and, accordingly, the Teichmann Financing, the Relationship Agreement, Governance Agreement and Broker Option constitute a related party transaction for the purposes of Rule 13 of the AIM Rules.

The Directors independent of the Teichmann Financing, the Relationship Agreement, Governance Agreement and Broker Option from an AIM Rules perspective, being Michael Houston, David Facey, Tim Leslie and Rob Croll, consider, having consulted with the Company's nominated adviser, that the terms of the Teichmann Financing, the Relationship Agreement, Governance Agreement and Broker Option are fair and reasonable insofar as the Company's Shareholders are concerned.

The Teichmann Financing gives rise to certain considerations under the Takeover Code. Brief details of the Panel, the Takeover Code and the protections they afford are set out below.

Background

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

Under Rule 9 of the Takeover Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and any interest in shares held or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required by the Panel to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company.

Similarly, Rule 9 of the Takeover Code also provides, among other things, that where any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company which is subject to the Takeover Code, and such person, or any person acting in concert with him, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required by the Panel to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and at the highest price paid within the preceding 12 months for any interest in shares in the company by the person required to make the offer or any person acting in concert with him.

Shareholders should be aware that Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds interests in shares carrying more than 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a general offer to the other shareholders to acquire their shares.

Under the Takeover Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the Takeover Code. Control means an interest or interests in shares carrying, in aggregate, 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

The Teichmann Concert Party

The Teichmann Concert Party is comprised of THL, TCL, T3, GFI, Gary Teichmann, James te Riele, Kenneth Gibbs, Adrian Garvey, Claude Holton, Brett Nicolay, Alan McKinney, Michael Houston and Aimee te Riele. Further details of these persons are set out in paragraph **Error! Reference source not found.** of part 2 of this document.

For the purposes of Rule 9, the Takeover Panel considers the Teichmann Concert Party to be a single entity. Given that on completion of the Teichmann Financing the Teichmann Concert Party will hold over 50% of the voting rights of the Company, any transfer of shares in the Company between entities within the Teichmann Concert Party and any further acquisitions of the Company's shares by any member of the Teichmann Concert Party, whether individually or collectively, will not be subject to the restrictions of Rule 9 of the Takeover Code.

Dispensation from the requirement to make a general offer under the Takeover Code

Immediately following issue of the Subscription Shares, the Teichmann Concert Party will have acquired interests in the Ordinary Shares carrying, in aggregate, 51 per cent. of the then enlarged voting rights

of the Company which, without a waiver of the obligations under Rule 9 of the Takeover Code, would oblige the Teichmann Concert Party (and any party deemed to be acting in concert with the Teichmann Concert Party) to make a general offer to Shareholders under Rule 9 of the Takeover Code. Each of the Teichmann Concert Party member's existing and resultant interests will comprise:

	As at the date of the Circular		Following completion of the Teichmann Financing				
	Number of Existing Ordinary Shares held	% interest of Existing Issued Share Capital ¹	Number of Ordinary Shares to be issued if Existing CLN converted	Subscription Shares	New Conversion Shares	Total shares following issue of Existing Conversion Shares, Subscription Shares and New Conversion Shares	Maximum % interest in the Potential Enlarged Issued Share Capital and voting rights of the Company*
THL	-	-	-	-	-	-	-
TCL	2,480,262	11.4	4,399,355	10,284,735	5,589,028	22,753,380	43.68%
T3	971,624	4.5	1,776,000	4,081,486	2,230,209	9,059,319	17.39%
GFI	26,000	0.1	-	-	-	26,000	0.05%
Claude Holton	65,354	0.3	116,028	273,430	149,673	604,485	1.16%
Alan McKinney	54,419	0.2	96,555	227,679	124,630	503,283	0.96%
Brett Nicolay	43,612	0.2	77,309	182,465	144,617	448,003	0.86%
Aimee te Riele	-	-	-	184,642	101,072	285,714	0.55%
Gary Teichmann	-	-	-	-	-	-	-
James te Riele	-	-	-	-	-	-	-
Kenneth Gibbs	-	-	-	-	-	-	-
Adrian Garvey	-	-	-	-	-	-	-
Michael Houston	144,285	0.7	-	-	-	423,589 ²	0.81%
Total	3,785,556	17.4	6,465,247	15,234,437	8,339,229	34,103,773	65.46%

**Note:*

Includes the exercise of all Michael Houston's options but no other share options (these are significantly out of the money) This table does not include the effect of any shares issued in accordance with the Broker Option though this will not impact the maximum percentage holding of the Teichmann Concert Party

The Company has applied to the Panel for a waiver of the obligations under Rule 9 of the Takeover Code in order to permit the Teichmann Financing to proceed without triggering an obligation on the part of the Teichmann Concert Party to make a general offer to Shareholders. Under Note 1 of the Notes on the Dispensations from Rule 9 of the Takeover Code, the Panel will normally waive the requirement for a general offer to be made in accordance with Rule 9 of the Takeover Code (a "Rule 9 Offer") if, among other things, the shareholders of the company who are independent of the person who would otherwise be required to make an offer, and any person acting in concert with him, pass an ordinary resolution approving such a waiver on a poll at a general meeting.

Accordingly, the Panel has agreed to grant a waiver of the obligation of the Teichmann Concert Party to make a general offer under Rule 9 of the Takeover Code that would otherwise arise as a result of the issue of the Subscription Shares, the Existing Conversion Shares, the New Conversion Shares and any Broker Option Shares to the Teichmann Concert Party, subject to Shareholders approving the Waiver Resolution (Resolution 1) on a poll at the Annual General Meeting. To be passed, the Waiver Resolution will require a simple majority of the votes cast on a poll by the Shareholders entitled to vote. Shareholders should note that if the Waiver Resolution is passed by Shareholders at the Annual General Meeting and the Teichmann Financing completed, the Teichmann Concert Party, or any individual entity thereof, will not be restricted from making an offer for the Company.

Shareholders should further note that, following completion of the Teichmann Financing and issue of the Subscription Shares, the Teichmann Concert Party will between them be interested in approximately 51.75% of the then enlarged voting rights of the Company and in approximately 65.46% of the then enlarged voting rights of the Company following issue of the Broker Option Shares, Existing Conversion Shares and the New Conversion Shares and that:

- **by virtue of holding more than 50 per cent. of the Company's voting rights, the Teichmann Concert Party will be entitled to increase their holdings or aggregate interest in the voting rights of the Company without incurring any obligation under Rule 9 of the Takeover Code to make a general offer to all Shareholders to acquire their Ordinary Shares; and**
- **this will increase the percentage of the Ordinary Shares that are not in public hands.**

This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares on AIM. The Teichmann Concert Party's stake in the voting rights of the Company will also mean that the Teichmann Concert Party will be able, if they so wish, to exert a controlling influence over resolutions proposed at future general meetings of the Company.

The attention of Shareholders is drawn to the information on the Teichmann Concert Party and the additional information required by the Takeover Code set out in part 2 of this document.

9 INDEPENDENT ADVICE PROVIDED TO THE BOARD

The Takeover Code requires the Board to obtain competent independent advice regarding the merits of the transaction which is the subject of the Waiver Resolution, the controlling position which it will create, and the effect which it will have on Shareholders generally. Accordingly, SP Angel, as the Company's independent financial adviser, has provided formal advice to the Board regarding the Teichmann Financing. SP Angel confirms that it, and any person who is or is presumed to be acting in concert with it, is independent of the Teichmann Concert Party and has no personal, financial or commercial relationship or arrangements or understandings with the Teichmann Concert Party.

10 ANNUAL GENERAL MEETING

Set out at the end of the Circular is a notice convening the Annual General Meeting to be held at 10.00 am on 7 September 2022 at the offices of SP Angel, Prince Frederick House, 35-39 Maddox Street, London W1S 2PP, at which the following resolutions will be proposed.

10.1 The “Waiver Resolution”

The Waiver Resolution seeks approval of the waiver granted by the Panel of the obligation that would otherwise arise on the Teichmann Concert Party to make a general offer to shareholders of the Company pursuant to Rule 9 of the City Code as a result of the issue to the Teichmann Concert Party of the Subscription Shares, the exercise of conversion rights and issue of the Existing Conversion Shares and the New Conversion Shares under the Existing CLN (as amended by Existing CLN Amendment Deed) and/or the NCLN, the issue of Ordinary Shares under the Broker Option and the exercise of Michael Houston’s share options. In order to comply with the City Code, Resolution 1 will be taken on a poll and the Teichmann Concert Party members that own shares, all of whom are disenfranchised from voting, have undertaken not to vote on this Resolution.

10.2 Authority to allot

Resolution numbered 2 will be conditional on the approval of Resolution numbered 1 and will be proposed as an ordinary resolution to grant authority to the Directors to allot up to 34,603,940 Ordinary Shares. This resolution will give the Directors sufficient authority to allot the Subscription Shares plus the maximum number of Ordinary Shares that could be issued under the Existing CLN and NCLN plus the maximum number of Ordinary Shares that could be issued under the Broker Option.

10.3 Disapplication of pre-emption rights

Resolution numbered 3 will be conditional on the approval of Resolutions numbered 1 and 2 and will be proposed as a special resolution to disapply statutory pre-emption rights in respect of the allotment of up to 34,603,940 Ordinary Shares for cash. This number represents the Subscription Shares plus the maximum number of new Ordinary Shares that could be issued under the Existing CLN and New Convertible Loan Notes plus the maximum number of Ordinary Shares that could be issued under the Broker Option.

10.4 Laying of reports and accounts

The directors of a public company are required to lay before the shareholders in a general meeting copies of the directors’ reports, the independent auditors’ report and the audited financial statements of the Company in respect of each financial period. The Company proposes, as an ordinary resolution, Resolution 4 to receive the annual report and audited accounts of the Company for the financial period ended 31 December 2021.

10.5 Appointment of directors

Resolutions 5 and 6 will be proposed as ordinary resolutions to re-appoint Gary Teichmann as a director of the Company (he having been appointed since the last annual general meeting) and Tim Leslie who is retiring by rotation in accordance with the articles of association of the Company.

10.6 Auditors re-appointment and remuneration

Shareholders will be asked in resolution 7 to confirm by ordinary resolution the re-appointment of BDO LLP as auditors of the Company and to grant authority to the Directors to determine their remuneration.

Irrevocable undertakings to vote in favour of the Waiver Resolutions have been given to the Company by the Independent Directors in respect of their holdings of Ordinary Shares) representing in aggregate 0.62% of the issued ordinary share capital of the Company as at 12 August 2022 (being the last business day prior to the publication of this document).

Irrevocable undertakings to vote in favour of the Resolutions (other than the Waiver Resolution) have been given to the Company by the Directors in respect of their holdings of Ordinary Shares)

representing in aggregate 0.76% of the issued ordinary share capital of the Company as at 12 August 2022 (being the last business day prior to the publication of this document).

Further details of these irrevocable undertakings are set out in paragraph **Error! Reference source not found.** of part 2 of the Circular.

11 ACTION TO BE TAKEN BY SHAREHOLDERS

Whether or not you propose to attend the Annual General Meeting in person, you are asked to complete the Proxy Form and return it to the Company's registrars, Share Registrars Limited, 3 Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX so as to arrive as soon as possible but in any event no later than 10.00 am on 7 September 2022. Completion and return of the Proxy Form will not preclude you from attending the Annual General Meeting and voting in person should you so wish.

12 RECOMMENDATION

Should the Resolutions not be approved at the Annual General Meeting then, in the absence of alternative funding arrangements being made available and based on the current anticipated cash flow requirements of the Company, the Directors believe that current cash resources of the Company will be insufficient to allow the Company to continue trading, in particular as the Company will be required to redeem the Simple Loan Notes in accordance with their terms.

The Independent Directors, who have been so advised by SP Angel acting as the independent adviser to the Company required for the purposes of Rule 3 of the City Code, consider the Teichmann Financing, including the waiver of the obligation which would otherwise arise on TCL and the other members of the Teichmann Concert Party to make a general offer to Shareholders to acquire their Ordinary Shares under Rule 9 of the City Code to be fair and reasonable and in the best interests of Independent Shareholders and the Company as a whole.

Accordingly, the Independent Directors unanimously recommend Independent Shareholders to vote in favour of the Waiver Resolution, as they have irrevocably undertaken to do in respect of the shares in the Company held by them totalling 133,559 Ordinary Shares, being 0.62% of the issued ordinary share capital of the Company.

Furthermore, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions (other than the Waiver Resolution) and resolutions 4, 5, 6 and 7, as they have irrevocably undertaken to do in respect of the shares in the Company held by them totalling 277,844 Ordinary Shares, being 0.76% of the issued ordinary share capital of the Company. If the Waiver Resolution is approved, the Concert Party will not be restricted from making an offer for the Company.

Yours faithfully

Michael Houston

Chairman