RNS Number : 7618J
Ultimate Products PLC
09 April 2024

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Ultimate Products plc

("Ultimate Products", "Company" or "the Group")

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

Ultimate Products, the owner of a number of leading homeware brands including Salter (the UK's oldest houseware brand, est.1760) and Beldray (est.1872), announces that today it has posted a Circular to Shareholders giving Notice of a General Meeting, to be held at Manor Mill, Victoria Street, Chadderton, Oldham OL9 0DD on 2 May 2024 at 9.00 am.

Proposed Share Buyback and Rule 9 Waiver

The Company has historically sought authority and received approval from its Shareholders to make market purchases of its own shares, with the most recent authority being granted at the Company's AGM on 15 December 2023, permitting the Company to repurchase up to 8,931,245 Ordinary Shares, equal to 10 per cent. of the Company's issued ordinary share capital at the latest practicable date before publication of the Notice of GM, being 8 April 2024. However, despite this authority having already been granted, the Company has been restricted from using it owing to the Concert Party being interested in more than 30 per cent. but less than 50 per cent. of the total voting rights of the Company (and therefore, any repurchases of Ordinary Shares under such buyback authority being liable to trigger an obligation for the Concert Party to make an offer, in cash, for the entire issued and to be issued share capital of the Company, pursuant to Rule 9 of the City Code).

The Board have adopted a new capital allocation policy; after paying down its debt levels, the Board's intention is, over the medium term, to maintain a net bank debt / adjusted EBITDA ratio at approximately 1.0x. The Board believes that this level of gearing is the most efficient use of the Company's balance sheet and excess cash can be returned to Shareholders.

With a strong cash balance and a cash generative business model, the Board has concluded that it wishes to have the flexibility to utilise the Proposed Buy-Back Authority in circumstances which it decides are in the best interests of the Company. Accordingly, the Circular sets out the background to, and reasons why the Board believes it to be in the best interests of Shareholders as a whole for the Company to reapply for buy back authority, as necessary under the City Code, to make market purchases of its Ordinary Shares under the same parameters as previously approved.

The Concert Party

For the purposes of the City Code, Andrew Gossage, Simon Showman and Barry Franks are considered to be acting in concert. The Concert Party currently holds, in aggregate, 36,821,400 Ordinary Shares representing an aggregate interest of 41.23 per cent. of the Company's issued ordinary share capital of 89,312,457 as at 8 April 2024 (being the latest practicable date prior to the publication of the Circular). In addition, Andrew Gossage, Simon Showman (being two members of the Concert Party) hold 48 A Shares and 32 A Shares respectively pursuant to the MIP which may be converted into Ordinary Shares if the Hurdle is exceeded. The maximum number of Ordinary Shares pursuant to the MIP that may be acquired by Simon Showman and Andrew Gossage is 4,108,480. The Concert Party do not hold any Options under the PSP, SAYE or Incentive Plan 2023.

Assuming full utilisation of the Proposed Buy-Back Authority, the Concert Party do not participate in the proposed share buyback nor sell any Ordinary Shares, the full exercise of the MIP Options by Andrew Gossage and Simon Showman and no exercise of any Options under any Share Option Schemes (other than the full exercise of the MIP Options by Andrew Gossage and Simon Showman), the combined shareholding of the Concert Party of 40,929,880 Ordinary Shares would represent 48.44 per cent. of the then issued ordinary share capital of the Company of 84,489,692.

The full Circular to Shareholders will be made available on the Company's website at https://upplc.com/. Defined terms used in this announcement are the same as those defined in the Circular unless the context requires otherwise.

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Notes to Editors

Ultimate Products is the owner of a number of leading homeware brands including Salter (the UK's oldest houseware brand, established in 1760) and Beldray (a laundry, floor care, heating and cooling brand that was established in 1872). According to its market research, nearly 80% of UK households own at least one of the Group's products.

Ultimate Products sells to over 300 retailers across 38 countries, and specialises in five product categories: Small Domestic Appliances; Housewares; Laundry; Audio; and Heating and Cooling. Other brands include Progress (cookware and bakeware), Kleeneze (laundry and floorcare), Petra (small domestic appliances) and Intempo (audio).

The Group's products are sold to a broad cross-section of both large national and international multi-channel retailers as well as smaller national retail chains, incorporating discount retailers, supermarkets, general retailers and online retailers.

Founded in 1997, Ultimate Products employs over 370 staff, a significant number of whom have joined via the Group's graduate development scheme, and is headquartered in Oldham, Greater Manchester, where it has design, sales, marketing, buying, quality assurance, support functions and warehouse facilities across two sites. Manor Mill, the Group's head office, includes a spectacular 20,000 sq ft showroom that showcases each of its brands. In addition, the Group has an office and showroom in Guangzhou, China and in Paris, France.

Please note that Ultimate Products is not the owner of Russell Hobbs. The company currently has licence agreements in place granting it an exclusive licence to use the "Russell Hobbs" trademark for cookware and

laundry (NB this does not include Russell Hobbs electrical appliances).

For further information, please visit www.upplc.com.

Disclaimer

Cavendish Capital Markets Limited ("Cavendish"), which is authorised and regulated by the Financial Services Authority (FCA), is acting as Financial Adviser to the Company in connection with the matters described in this announcement. Cavendish will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cavendish or for advising any other person on the Proposed Buy-Back Authority and the Rule 9 Waiver or any other arrangements described in this announcement. Cavendish has not authorised the contents of, or any part of, this announcement and no liability whatsoever is accepted by Cavendish for the accuracy of any information or opinions contained in this announcement or for the omission of any information.

The below text has been extracted from the Circular.

1. Introduction

The Company has historically sought authority and received approval from its shareholders to make market purchases of its own shares, with the most recent authority being granted at the Company's AGM on 15 December 2023, permitting the Company to repurchase up to 8,931,245 Ordinary Shares, equal to 10 per cent. of the Company's issued ordinary share capital at the latest practicable date before publication of the Notice of GM, being 8 April 2024. However, despite this authority having already been granted, the Company has been restricted from using it owing to the Concert Party being interested in more than 30 per cent. but less than 50 per cent. of the total voting rights of the Company (and therefore, any repurchases of shares under such buyback authority being liable to trigger an obligation for the Concert Party to make an offer, in cash, for the entire issued and to be issued share capital of the Company, pursuant to Rule 9 of the City Code).

The Board have adopted a new capital allocation policy; after paying down its debt levels, the Board's intention is, over the medium term, to maintain a net bank debt / adjusted EBITDA ratio at approximately 1.0x. The Board believes that this level of gearing is the most efficient use of the Company's balance sheet and excess cash can be returned to shareholders.

With a strong cash balance and a cash generative business model, the Board has concluded that it wishes to have the flexibility to utilise the Proposed Buy-Back Authority in circumstances which it decides are in the best interests of the Company. Accordingly, this letter sets out the background to, and reasons why the Board believes it to be in the best interests of Shareholders as a whole for the Company to reapply for buy back authority, as necessary under the City Code, to make market purchases of its Ordinary Shares under the same parameters as previously approved.

If the Company buys-back shares under the Proposed Buy-Back Authority and at the time the voting rights attributable to the interests in Ordinary Shares of the Concert Party exceeds 30 per cent. of such voting rights, an obligation under Rule 9 of the City Code would arise on one or more of the Concert Party to make a cash offer for the issued shares of the Company not already owned by them.

The Panel has agreed, to waive the obligation to make a general offer that would otherwise arise on the Concert Party as a result of the buy-back by the Company of any Ordinary Shares and under the Proposed Buy-Back Authority subject to approval on a poll by the Independent Shareholders of the Repurchase Resolution and Waiver Resolution as set out in the Notice of GM.

This Circular sets out details of the existing buy back authority and contains at the end of this document the Notice of GM to be held at 9.00 a.m. on 2 May 2024 to consider and approve both the Repurchase Resolution and the Waiver Resolution.

2. Background to and reasons for the recommendation

In the Trading Update on 13 February 2024 the Board announced its new Capital Allocation Policy as follows:

"During FY21 the Group increased its level of borrowings to complete the transformational acquisition of Salter. The acquisition debt has now largely been repaid. The Board has, therefore, approved a new Capital Allocation Policy. The Board's intention is to maintain the net bank debt/adjusted EBITDA ratio at around 1.0x. The Board believes that this level of leverage is an efficient use of the Group's balance sheet and allows for further returns of capital to shareholders. It is the Board's intention to continue to invest in the business enabling it to grow, whilst returning around 50 per cent. of post-tax profits to shareholders through dividends, and to supplement this with share buybacks pursuant to a policy of maintaining net bank debt at a 1.0x adjusted EBITDA ratio."

Rationale for using the share buy-back authority

The Board believes it to be in the best interests of Shareholders as a whole for the Company to have authority to purchase its Ordinary Shares in the market.

The Directors believe that the Proposed Buy-Back Authority would be an optimum and efficient use of the Company's excess cash, whilst at the same time enhancing earnings per share. The Directors also believe that the Proposed Buy-Back Authority would provide Shareholders with the flexibility, but without any compulsion, to realise value in respect of all or some of their shareholdings and is also a tax efficient method of returning surplus cash to certain Shareholders.

Similarly, all members of the Concert Party have confirmed that none of them (or any persons connected with them within the meaning of sections 252-255 of the Act) will, nor do they have any current intention to, sell any of the Ordinary Shares which they beneficially own to the Company should the Company utilise the Proposed Buy-Back Authority.

Purchases of Own Shares

The Board is seeking the authority, in accordance with Section 701 of the Act, for the Company to make market purchases of its own shares (within the meaning of Section 693(4) of the Act) providing such purchases do not exceed, in aggregate 10 per cent. of the Company's issued ordinary share capital as at the latest practicable date before publication of this document, being 8 April 2024, being 89,312,457 Ordinary Shares, and subject to such pricing restrictions as described below ('**Share Buyback Programme**').

The Board is seeking the flexibility to buy back shares should they consider it appropriate to do so. However, the Board will only exercise the authority after taking account of the overall financial position of the Company and in circumstances where they believe that to do so would result in either an increase or protection of value for the remaining Shareholders and be in the best interests of Shareholders as a whole.

Any Ordinary Shares purchased under the Proposed Buy-Back Authority will be cancelled and the number of Ordinary Shares in issue reduced accordingly.

Share purchases under the Share Buyback Programme will take place in open market transactions and may be made from time to time depending on market conditions, share price, trading volume and other terms. The maximum price paid per Ordinary Share will be no more than: (i) the higher of the price of the last independent trade and the highest current independent purchase bid for Ordinary Shares on the trading venue where the purchase is carried out; and (ii) 105 per cent. of the average closing middle market quotations of an Ordinary Share for the five business days immediately preceding the day on which such Ordinary Shares are purchased.

There is no guarantee that the Share Buyback Programme will be implemented in full or that any purchases will be made and the Board's broad intention is initially to deploy approximately £1 million per quarter. The Company reserves the right to bring a halt to the Share Buyback Programme under circumstances that it deems to be appropriate and in accordance with relevant law and regulation.

The Share Buyback Programme will operate in accordance with the Company's general authority to purchase a maximum of 8,931,245 Ordinary Shares. It is the intention that the Share Buyback Programme will be conducted within the pricing parameters of the Market Abuse Regulation 596/2014 (as it forms part of retained EU law as defined in the EU (Withdrawal) Act 2018) (the '**Regulations**'). However, given the limited liquidity in the issued Ordinary Shares, the Company has agreed that, on any trading day, a buy-back of Ordinary Shares under the Share Buyback Programme may exceed 25 per cent. but remain below 50 per cent. of the average daily trading volume in the Ordinary Shares in the 20 trading days preceding the date on which a buy-back of Ordinary Shares is carried out. Accordingly, the Company may not benefit from the exemption contained in the Regulations.

City Code on Takeovers and Mergers

The City Code applies to the Company. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any 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 Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the 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 the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person, and any persons acting in concert with that person, are interested.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under Rule 37 of the City Code, when a company purchases its own voting shares, the resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9 of the City Code (although a shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9 in these circumstances).

Current and potential shareholdings of the Concert Party

For the purposes of the City Code, Andrew Gossage, Simon Showman and Barry Franks are considered to be acting in concert (the '**Concert Party**').

The Concert Party currently holds, in aggregate, 36,821,400 Ordinary Shares representing an aggregate interest of 41.23 per cent. of the Company's issued ordinary share capital of 89,312,457 as at 8 April 2024 (being the latest practicable date prior to the publication of this document). In addition, Andrew Gossage, Simon Showman (being two members of the Concert Party) hold 48 A Shares and 32 A Shares respectively pursuant to the MIP which may be converted into Ordinary Shares if the Hurdle is exceeded. The maximum number of Ordinary Shares pursuant to the MIP that may be acquired by Simon Showman and Andrew Gossage is 4,108,480. The Concert Party do not hold any Options under the PSP, SAYE or Incentive Plan 2023.

The details of the effect of the Repurchase Resolution on the aggregate interests of Concert Party are set out in paragraph 3 below and paragraph 5.3 Part II of this Document.

3. The Waiver Resolution

As mentioned in paragraph 2 above and given that the Concert Party's current percentage interest in Ordinary Shares is between 30 and 50 per cent. of the of the voting rights of the Company, any increase in any member of the Concert Party's percentage interest in Ordinary Shares (which includes any increase caused by way of a share buyback) would have the effect of triggering Rule 9 of the City Code and result in that Concert Party being under an obligation to make a general offer to all Shareholders.

The Independent Directors have consulted with the Panel, which has agreed that, subject to approval of the Waiver Resolution by the Independent Shareholders on a poll at the GM, it will grant the Repurchase Waiver. The effect of the Repurchase Waiver, if approved by the Independent Shareholders, would be that the Concert Party would not be required to make a general offer under Rule 9 of the City Code that would otherwise arise due to the increase in the aggregate holding of the Concert Party resulting from the purchase by the Company of its own Ordinary Shares pursuant to the Proposed Buy-Back Authority.

The Waiver Resolution is subject to the approval of Independent Shareholders on a poll, where each Independent Shareholder will be entitled to one vote for each Ordinary Share they hold. Members of the Concert Party are not entitled to vote on this poll as they are not considered to be independent.

Set out below, and also in paragraph 5.3 of Part II of this Circular, are details of the maximum percentage of the Company's voting rights which could be held by the Concert Party following the approval of the Repurchase Resolution and the Waiver Resolution as it assumes the full utilisation of the Proposed Buy-Back Authority (assuming no member of the Concert Party participates in the proposed buyback and no further Ordinary Shares are issued by the Company), the full exercise of the MIP Options by Andrew Gossage and Simon Showman and no exercise of any Options under any Share Option Schemes (other than the full exercise of the MIP Options by Andrew Gossage and Simon Showman).

The MIP Options operate by way of the MIP Participants holding A Shares and such shares can in future be sold to the Company pursuant to the provisions of the articles of association of Ultimate Products UK and the individual's subscription documentation for an aggregate value equivalent to a maximum of 15 per cent. of the increase in shareholder value ('**Relevant Percentage**') over the Hurdle. The value of the A Shares, as a whole, at the date of exercise ('**Exercise Date**'), will be the Relevant Percentage (i.e. 15 per cent.) multiplied

by the amount by which the Ordinary Share price exceeds the Hurdle (based on the 90 day average share price of the Company's Ordinary Shares prior to the Exercise Date) multiplied by the number of issued Ordinary Shares in the Company at 1 March 2017. Upon the Exercise Date, the Company may, at its discretion, purchase the A Shares for cash or by issuing Ordinary Shares in the Company.

Scenario

In the event that:

- the Independent Shareholders approve the Waiver Resolution;
- the maximum number of Ordinary Shares are repurchased by the Company under the Proposed Buy-Back Authority and no further Ordinary Shares are issued by the Company;
- there are no sales of Ordinary Shares by any member of the Concert Party pursuant to the proposed share buyback or otherwise;
- the full exercise of the MIP Options by Andrew Gossage and Simon Showman; and
- and no exercise of any Options under any Share Option Schemes (other than the full exercise of the MIP Options by Andrew Gossage and Simon Showman).

the combined shareholding of the Concert Party of 40,929,880 Ordinary Shares would represent 48.44 per cent. of the then issued ordinary share capital of the Company of 84,489,692 Ordinary Shares as further detailed in paragraph 5.3 of Part II of this document.

	Current interests of the Concert Party					*Interests of the Concert Party assuming full utilisation of the Proposed Buy-Back Authority, the Concert Party do not participate in the proposed share buyback nor sell any Ordinary Shares, the full exercise of the MIP Options by Andrew Gossage and Simon Showman and no exercise of any Options under any Share Option Schemes (other than the full exercise of the MIP Options by Andrew Gossage and Simon Showman)*	
Concert Party member	*Number of Ordinary Shares*	*% of current issued share capital*	*Maximum number of shares that can be issued under the MIP*	*Maximum possible resulting shareholding*	*Maximum % of enlarged issued share capital*	*Number of Ordinary Shares*	*% of enlarged issued share capital*
Simon Showman	18,530,600	20.75%	2,465,088	20,995,688	22.47%	20,995,688	24.85%
Barry Franks	10,238,400	11.46%	Nil	10,238,400	10.96%	10,238,400	12.12%
Andrew Gossage	8,052,400	9.02%	1,643,392	9,695,792	10.38%	9,695,792	11.48%
Total	36,821,400	41.23%	4,108,480	40,929,880	43.81%	40,929,880	48.44%

All of the above holdings include family members

As the MIP Options are subject to performance conditions, it is possible that these options are not exercised, this scenario is set out below.

Scenario

In the event that:

- the Independent Shareholders approve the Waiver Resolution;
- the maximum number of Ordinary Shares are repurchased by the Company under the Proposed Buy-Back Authority and no further Ordinary Shares are issued by the Company;
- there are no sales of Ordinary Shares by any member of the Concert Party pursuant to the proposed share buyback or otherwise;
- no exercise of any Options under any Share Option Schemes

the combined shareholding of the Concert Party of 36,821,400 Ordinary Shares would represent 45.81 per cent. of the then issued ordinary share capital of the Company of 80,381,212 Ordinary Shares as set out below.

			Interests of the Concert Party assuming full utilisation of the Proposed Buy-Back Authority, the Concert Party do not participate in the proposed share buyback nor sell any Ordinary Shares and no exercise of any Options under any Share Option Schemes	
Concert Party member	*Number of Ordinary Shares*	*% of current issued share capital*	*Number of Ordinary Shares*	*% of enlarged issued share capital*
Simon Showman	18,530,600	20.75%	18,530,600	23.05%
Barry Franks	10,238,400	11.46%	10,238,400	12.74%
Andrew Gossage	8,052,400	9.02%	8,052,400	10.02%
Total	36,821,400	41.23%	36,821,400	45.81%

All of the above holdings include family members

Shareholders should note that any further increase in the interests of the Concert Party in the Ordinary Shares of the Company, which increases the percentage of the voting rights in which they are interested, whether collectively or individually, other than as a result of the purchase of Ordinary Shares pursuant to the Proposed Buy-Back Authority will be subject to the provisions of Rule 9. Whether or not the Waiver Resolution is passed by the Independent Shareholders, members of the Concert Party will not be restricted from making an offer for the Company.

In the event that the Concert Party's interest in the voting rights of the Company increases as a result of the exercise of the Proposed Buy-Back Authority, they could not acquire any further interest in the shares of the Company without triggering an obligation under Rule 9.

The Waiver described in the Waiver Resolution, applies only in respect of increases in the percentage interest of the Concert Party resulting from purchases by the Company of its own shares under the Proposed Buy-Back Authority and not in respect of any other increases in the Concert Party's interests in Ordinary Shares by any other means.

4. Current Trading and Prospects

On 13 February 2024, Ultimate Products plc provided the following trading update for the six months ended 31 January 2024:

"During the period, unaudited Group revenues decreased 4 per cent. to £84.0 million (H1 2023: £87.6m), with supermarket ordering held back by overstocking issues, strong prior year comparatives bolstered by

the exceptionally strong demand for energy efficient air fryers in H1 2023, and some modest revenue deferral at the end of the period due to the recent disruption to global supply chains.

The Group has continued to drive productivity through its focus on continuous improvement, including the automation of hundreds of tasks across the business. Combined with lower freight rates in the period, this increased productivity has led to the Group achieving improved operating margins.

As the Group moves into H2 2024, shipping schedules are expected to settle, and peak air-fryer sales will move out of the prior year comparatives. More importantly, supermarket overstocking issues are continuing to subside and following the peak Christmas trading period more retail customers are reporting normalised stock positions, allowing an improving order trend for 2024.

At the period end, the Group had a net bank debt/adjusted EBITDA ratio of 0.4x (31 July 2023: 0.7x). Throughout the period of seasonal peak trading this KPI remained below 1.0x, with net debt reaching a seasonal peak of £17.1 million (H1 2023: £30.5 million) in December.

Outlook: The Board anticipates a full year profit performance in line with current market expectations.

Today, the Company released its interim financial statements for the period to 31 January 2024 which stated the following: "Current trading and outlook; The Group continues to trade in line with market expectations for FY24."

As the above mentioned guidance relates to the financial year ended 31 July 2023, at the time of its repetition in this document it constitutes a profit forecast ('**FY24 Profit Forecast**').

Furthermore, given that the above mentioned guidance was originally published before the Company elected to apply for a Rule 9 waiver, pursuant to the Proposed Buy-Back Authority, the requirements of Rule 28.1(c)(i) of the City Code apply in relation to the FY24 Profit Forecast.

Basis of Preparation of the FY24 Profit Forecast

The FY24 Profit Forecast has been prepared based on the Company's unaudited management accounts for the year ending 31 July 2024. The FY24 Profit Forecast has been prepared on a basis consistent with the accounting policies adopted by the Company for the year ending 31 July 2023 and those that will be applicable for the year ending 31 July 2024. These policies are in accordance with IFRS.

Directors' confirmation

The Directors have considered the FY24 Profit Forecast and confirm that:

(a) it remains valid as at the date of this document; and

(b) the FY24 Profit Forecast has been properly compiled on a basis of accounting that is consistent with the Company's accounting policies, which are in accordance with IFRS and are those that the Company expects to apply in preparing its annual report and accounts for the financial year ending 31 July 2024.

The interim financial statements can be found on the Company's website at https://upplc.com/investor-relations/financial-reports.

The Company confirms that it currently has no other unpublished price sensitive information at the time of this announcement.

5. General Meeting

A notice convening the General Meeting to be held at 9.00 a.m. on 2 May 2024 is set out at the end of this document.

Owing to their interests in it, the Concert Party members will not be voting on the Waiver Resolution in respect of their combined interests of 36,821,400 Ordinary Shares representing 41.23 per cent. of the Company's issued ordinary share capital as at the 8 April 2024, being the last practicable date prior to the publication of this document.

6. Action to be Taken

Please note that a hard copy form of proxy is not included with this notice. If you would like to vote on the resolutions to be proposed at the GM, you are requested to vote in accordance with the instructions printed below as soon as possible.

You may request a hard copy form of proxy directly from the registrars, Equiniti Group, on Tel: +44 (0) 371 384 2030. 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 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the Notes on pages 24 and 25.

The instrument appointing a proxy must reach the Company's registrars, Equiniti Group, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DAT no later than 9.00 a.m. on 30 April 2024.

Shareholders should note that, in order to have the right to vote at the meeting, their holding must be entered on the Company's share register by close of business on 30 April 2024.

7. Recommendation

Repurchase Resolution

The Independent Directors who have been so advised by Cavendish consider the Repurchase Resolution is fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing advice to the Directors, Cavendish has taken into account the Directors' commercial assessments.

Accordingly, the Independent Directors recommend all Shareholders to vote in favour of the Repurchase Resolution to be proposed at the GM, as they intend to do in respect of their own beneficial holdings of

Ordinary Shares which, as at 8 April 2024, being the last practicable date prior to the publication of this document in aggregate, amount to 1,619,019 Ordinary Shares (which, for the avoidance of doubt, excludes Ordinary Shares held by the Concert Party) representing approximately 1.81 per cent. of the existing issued ordinary share capital of the Company. The Independent Directors consider the proposals to be in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole.

Waiver Resolution

The Independent Directors who have been so advised by Cavendish consider the market purchase by the Company of its Ordinary Shares under the Proposed Buy-Back Authority is in the best interests of the Independent Shareholders and the Company as a whole. The Independent Directors who have been so advised by Cavendish, believe that the Proposed Buy-Back Authority and the Waiver Resolution are fair and reasonable and in the best interests of the Independent Shareholders and the Company as a whole. In providing advice to the Independent Directors, Cavendish has taken into account the Independent Directors' commercial assessments.

Accordingly, the Independent Directors recommend all Independent Shareholders to vote in favour of the Proposed Buy-Back Authority and the Waiver Resolution as they intend to do in respect of their own beneficial holdings of Ordinary Shares which, as at 8 April 2024, being the last practicable date prior to the publication of this document, in aggregate amount to 1,619,019 Ordinary Shares (which,

for the avoidance of doubt, excludes Ordinary Shares held by the Concert Party), representing approximately 1.81 per cent. of the existing issued ordinary share capital of the Company.

As detailed above, the Concert Party is considered to be interested in the outcome of the Waiver Resolution. Accordingly, no Director who is also a member of the Concert Party (being Andrew Gossage and Simon Showman) has participated in the Independent Directors' recommendation and no member of the Concert Party will vote on the Waiver Resolution.

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