

**Exclusivity Agreement**

**Dated** 5 March

**2024**

- (1) **SONDREL (HOLDINGS) PLC**
- (2) **ROX EQUITY PARTNERS LIMITED**

## Contents

		Page
1	Interpretation .....	1
2	Exclusivity .....	4
3	Negotiations .....	5
4	Termination .....	5
5	Due Diligence .....	6
6	Takeover Panel and Takeover Code .....	6
7	Clearances .....	6
8	Director appointment .....	8
9	Variation and waiver .....	8
10	Notices .....	8
11	Severance .....	9
12	Counterparts .....	9
13	Rights and remedies .....	9
14	Governing law and jurisdiction .....	9

**THIS AGREEMENT** is made on the 5<sup>th</sup> day of March 2024

**BETWEEN**

- (1) **SONDREL (HOLDINGS) PLC**, a company limited by shares incorporated in England with registered number 07275279 whose registered office is at Sondrel House, Theale Lakes Business Park, Moulden Way, Sulhamstead, Reading, RG7 4GB (the "**Company**"); and
- (2) **ROX EQUITY PARTNERS LIMITED**, a private limited company incorporated in England and Wales with company number 10937650 whose registered office is at Devonshire House, One Mayfair Place, London, England, W1J 8AJ ("**Investor**").

**RECITALS**

- (A) The Company requires funds to finance its working capital requirements on an urgent basis.
- (B) The Investor is in advanced negotiations with the Company to enter into a legally binding agreement to invest in the Company by way of a private subscription of new Ordinary Shares as part of the Fundraising (the "**Proposed Investment**"). The parties intend that the Proposed Investment and the wider Fundraising will be on the terms set out in the Schedule.

**IT IS HEREBY AGREED**

**1 Interpretation**

**1.1** In this agreement:

"**Affiliates**" means in relation to any specified person, any person directly or indirectly controlling, controlled by or under direct or indirect common control with the specified person where 'control' when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities or otherwise;

"**AIM**" means the AIM market of the London Stock Exchange;

"**AIM Rules**" means the rules of AIM as set out in the "AIM Rules for Companies" issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;

"**Board Recommendation**" has the meaning given to it in paragraph 9 of the Schedule;

"**Bookbuild Offer**" has the meaning given to it in paragraph 2.3 of the Schedule;

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business;

"**Clearances**" means all approvals, consents, clearances, determinations, permissions, confirmations, and waivers that may need to be obtained, all applications and filings that may need to be made and all waiting periods that may need to have expired, from, or under any Laws or practices applied by, any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or advisable

(as determined by the Investor acting in good faith) in order for the Investor to make the Proposed Investment;

**"Conversion Shares"** has the meaning given to it in paragraph 11.1 of the Schedule;

**"Convertible Loan"** means (i) the secured convertible loan in the principal amount of £874,600 loaned by the Investor to the Company pursuant to the Loan Agreement; and (ii) any extension or variation thereof; and (iii) any additional convertible loan(s) provided by the Investor to the Company as contemplated by this agreement;

**"Enlarged Issued Share Capital"** has the meaning given to it in paragraph 4.2 of the Schedule;

**"Excess Application Facility"** has the meaning given to it in paragraph 11.4 of the Schedule;

**"Fundraising"** has the meaning given in paragraph 2.3 of the Schedule;

**"Fundraise Completion"** has the meaning given to it in paragraph 7 of the Schedule;

**"Fundraising Conditions"** has the meaning given to it in paragraph 7 of the Schedule;

**"Institutional Placing"** has the meaning given to it in paragraph 2.1 of the Schedule;

**"Institutional Placees"** has the meaning given to it in paragraph 2.1 of the Schedule;

**"Law"** means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Relevant Authority and will for the avoidance of doubt include the NSIA, Takeover Code and the AIM Rules;

**"Loan Agreement(s)"** means (i) a convertible loan agreement entered into between the Company and the Investor on the date of this agreement ("**Original Loan Agreement**"); and (ii) any such extension or variation thereof; and (iii) any additional convertible loan agreements entered into between the Company and the Investor as contemplated by this agreement;

**"London Stock Exchange"** means the London Stock Exchange plc;

**"Marketed Price"** has the meaning given to it in paragraph 1 of the Schedule;

**"Maximum Investor Proposed Investment"** has the meaning given to it in paragraph 12 of the Schedule;

**"Maximum Investment Amount"** has the meaning given to it in paragraph 10 of the Schedule;

**"NSIA"** means National Security and Investments Act 2001;

**"NSIA Approval"** has the meaning given to it in paragraph 19 of the Schedule;

**"New Ordinary Shares"** has the meaning given to it in paragraph 4.1 of the Schedule;

**"Ordinary Shares"** means the ordinary shares of £0.001 each in the capital of the Company;

**"Participating Shareholder"** has the meaning given to it in paragraph 10 of the Schedule;

**"Permitted Threshold"** has the meaning given to it in paragraph 19 of the Schedule;

**"Private Placing"** has the meaning given to it in paragraph 1 of the Schedule;

**"Private Placing Shares"** has the meaning given to it in paragraph 11.2 of the Schedule;

**"Relevant Authority"** means any central bank, ministry, governmental, quasigovernmental, supranational, statutory, regulatory or investigative body or agency or authority (including the Secretary of State) exercising anti-trust or competition or merger control, foreign investment review, regulatory, taxing, importing or other authority, in any relevant jurisdiction, including, for the avoidance of doubt, the Takeover Panel, and "Relevant Authorities" means all of them;

**"Relevant Resolutions"** has the meaning given to it in paragraph 7.6 of the Schedule;

**"RIS"** means a regulatory information service;

**"Shareholders"** has the meaning given to it in paragraph 9 of the Schedule;

**"Subscription"** has the meaning given to it in paragraph 2.2 of the Schedule;

**"Takeover Code"** means the City Code on Takeovers and Mergers;

**"Takeover Panel"** means the UK Panel on Takeovers and Mergers; and

**"Takeover Transaction"** means any transaction to acquire interests in the Ordinary Shares to which the Takeover Code applies.

- 1.2 Clause and paragraph headings do not affect the interpretation of this agreement.
- 1.3 References to clauses are to the clauses of this agreement.
- 1.4 A reference to "**this agreement**" is a reference to this agreement as varied or novated (in each case, other than in breach of the provisions of this agreement) from time to time.
- 1.5 A "**person**" includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.6 This agreement will be binding on, and enure to the benefit of, the parties to this agreement and their respective personal representatives, successors and permitted assigns, and references to any "**party**" will include that party's personal representatives, successors and permitted assigns.
- 1.7 A reference to a "**company**" will include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.8 Any words following the terms "**including**", "**include**", "**in particular**", "**for example**" or any similar expression will be construed as illustrative and will not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.9 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision will include all subordinate legislation made from time to time under that statute or statutory provision.

## 2 **Exclusivity**

2.1 In consideration for the Investor committing resources and incurring costs and expenses in connection with the Proposed Investment, the Company agrees that, subject to the termination of this agreement in accordance with clause 4.1 or clause 4.2 below, for the period from the date of this agreement up to and including 5 p.m. on 30 September 2024 or such later date as the parties may agree in writing (the "**Exclusivity Period**"):

2.1.1 the Company will not either directly or indirectly (whether or not in conjunction with any third party):

- (a) enter into or continue, facilitate or encourage discussions or negotiations with, or solicit interest from, any party other than the Investor and its Affiliates relating to as an investment by way of subscription, placing and/or underwriting an issue of Ordinary Shares (a "**Competing Investment**");
- (b) enter into any agreement or arrangement with any party other than the Investor and/or its Affiliates relating to a Competing Investment; or
- (c) make available any information relating to the Ordinary Shares or the Company's assets (save to the Investor, its Affiliates and any other person of whom any Investor will notify the Company in writing in relation to the Proposed Investment) in connection with a Competing Investment,

provided that nothing in this clause 2.1 will prevent the Company from engaging with existing shareholders in the ordinary course of business or in connection with them taking up their entitlements to participate in the Fundraising (including under the Excess

Application Facility as set out in paragraph 11.4 of the Schedule) (or equivalent if the transaction is restructured as set out in the Schedule) in connection with the Proposed Investment or voting on the resolutions required to implement the Fundraising and the Proposed Investment.

2.2 Without prejudice to any other rights or remedies that the Investor may have, the Company agrees that damages alone would not be an adequate remedy for any breach of the undertakings in clause 2.1 and the Investor will be entitled to seek the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of such undertakings.

2.3 Subject to compliance with all applicable laws and regulations, including the UK version of the EU Market Abuse Regulation, the Company will inform the Investor within 5 Business Days of receipt of a bona fide unsolicited approach from a third party offeror or its advisers in respect of a Takeover Transaction that has not been rejected by the board of the Company (without disclosing to the Investor the identity of that third party offeror or details of the proposed Takeover Transaction).

### 3 **Negotiations**

The Company and the Investor will negotiate in good faith and use reasonable endeavours to agree the legally binding documentation to implement the Proposed Investment within the Exclusivity Period.

### 4 **Termination**

4.1 This agreement will terminate upon the earlier of the following dates:

4.1.1 the execution of definitive legally binding agreements in respect of the Proposed Investment;

4.1.2 the Investor and the Company agreeing in writing (including by email) to terminate this agreement and all further negotiations in respect of the Proposed Investment;

4.1.3 the Investor giving the Company notice in writing (including by email) that it wishes to withdraw from negotiations in respect of the Proposed Investment in accordance with clause 4.2;

4.1.4 the Investor giving the Company notice in writing (including by email) that it wishes to withdraw from negotiations in respect of the Proposed Investment in accordance with clause 5.2;

4.1.5 the Investor provides the Company with notice in writing (including by email) that it wishes to withdraw from negotiations in respect of the Company providing sufficient further financing to allow the Company to meet its working capital requirements in accordance with paragraph 19 of the Schedule; or

4.1.6 5 p.m. on 30 September 2024, or such later date as the parties may agree in writing.

4.2 The Investor will be entitled by notice in writing to the Company to terminate this agreement if the Company makes a material change to the terms of the Proposed Investment set out in the Schedule and such change, having been discussed in good faith between the Company and

the Investor and reasonably considered in good faith by the Investor, is not accepted by the Investor.

4.3 Termination or expiry of this agreement will not affect any accrued rights or liabilities that have accrued prior to termination.

4.4 For the purpose of clause 4.2, a proposed change will not constitute a proposed "material change" if it is reasonably proposed in good faith for the purpose of seeking to ensure that the terms of the Proposed Investment are consistent with, or that the Company complies with, the requirements of applicable law and regulation.

## 5 **Due Diligence**

5.1 The Company agrees and acknowledges that the Proposed Investment is conditional upon, amongst other things, the Investor completing satisfactory due diligence in respect of the Company. The Company undertakes to provide the Investor with all reasonable information, records, assistance and access to management of the Company in a timely manner to allow the Investor to complete its due diligence on the Company.

5.2 The Investor undertakes to notify the Company in writing (including by email) in a timely fashion if they wish to withdraw from the negotiations for the Proposed Investment due to not being satisfied with due diligence.

5.3 The Company will use reasonable endeavours, at its own cost, to establish and populate (to the Investor's satisfaction) an electronic data room within 3 Business Days of the date of written notification of due diligence questions from the Investor.

## 6 **Takeover Panel and Takeover Code**

6.1 The Company undertakes and warrants to the Investor that it (or its adviser on its behalf) has consulted with the Takeover Panel on the matters contemplated by this agreement and will continue to consult and engage with the Takeover Panel in respect of the Proposed Investment with a view to ensuring that the Proposed Investment complies with the provisions of the Takeover Code at all times.

6.2 The Company undertakes that it will seek a waiver from Rule 9 of the Takeover Code in respect of the Proposed Investment and any obligation to make an offer under Rule 9 of the Takeover Code and will prepare as soon as reasonably practicable a circular to be sent to the Company's shareholders that complies with the requirements of Appendix 1 of the Takeover Code ("**Circular**").

## 7 **Clearances**

7.1 The Company and the Investor acknowledge that the Investor and / or the Company may be required to obtain Clearances from a Relevant Authority within sufficient time to allow the Investor to make the Proposed Investment prior to the end of the Exclusivity Period.

7.2 The Company and the Investor will co-operate with each other and provide each other with all reasonable information, assistance and access in a timely manner in order to allow the Investor, or the Investor and the Company, or the Company (or their respective advisers on their behalf), as may be required, to make any filings, notifications or submissions as are necessary (or as the Investor considers (acting in good faith) are advisable) in connection with the Clearances



with or to any Relevant Authority or Relevant Authorities, and to ensure that all information necessary or desirable for the making of (or responding to any requests for further information consequent upon) any such filings, notifications or submissions (including draft versions) is supplied accurately and promptly, provided that the co-operation will be conducted in a manner reasonably designed to preserve applicable lawyer/client and lawyer/work product privileges.

7.3 Without prejudice to the generality of the foregoing, subject to clause 7.2, and except to the extent that to do so is prohibited by Law or the requirements of any Relevant Authority:

7.3.1 subject to any other provisions of this clause 7.3, the Company, the Investor and the Company jointly, or the Investor, as may be required, will (or will procure that their respective advisers will):

- (a) submit any filings, notifications or submissions to each Relevant Authority as soon as is reasonably practicable after the signing of this agreement and within any applicable mandatory time periods where it is necessary or expedient to do so in order to obtain any Clearances; and
- (b) maintain appropriate regular and ongoing dialogue with each Relevant Authority in order to monitor and ensure the prompt progress of any filings, notifications or submissions and offer such assistance and input as may be reasonably necessary to assist each Relevant Authority to consider and progress the relevant Clearances;

7.3.2 the Company and the Investor will closely co-operate in the preparation of all such filings referred to in this clause 7 and in relation to the preparation of any other material submissions, correspondence or communications to any Relevant Authority in connection with the Proposed Investment;

7.3.3 the Investor will be primarily responsible for preparing all filings, submissions, correspondence and communications required to be sent or submitted to any Relevant Authority for the purpose of obtaining any approval required in respect of the Proposed Investment under the NSIA;

7.3.4 each of the Company and the Investor will:

- (a) provide, or procure the provision of, draft copies of all submissions, material correspondence and material communications required or intended to be sent to any Relevant Authority in relation to obtaining any Clearances to the other party and its legal advisers at such time as will allow the other party reasonable opportunity to review and provide comments on such submissions and communications before they are submitted or sent; and
- (b) provide the other party with copies of all such submissions and communications in the form finally submitted or sent;

7.3.5 the Company and the Investor will notify each other, and provide copies (of any material written communication) or summaries (of any material oral communication), in a timely fashion, of any communication from any Relevant Authority in relation to obtaining any Clearance;

7.3.6 each of the Company and the Investor will give the other party's legal advisers the opportunity (with reasonable notice when reasonably practicable) to attend all meetings (and participate in all material telephone or other conversations) with any Relevant Authority that are organised by the Company or the Investor or a Relevant Authority (as applicable) in connection with the obtaining of all Clearances and the implementation of the Proposed Investment;

7.3.7 each of the Company and the Investor will be responsible for its own costs of preparing any filings, notifications, or submissions required or intended to be submitted in connection with the Clearances as well as applicable filing fees; and

7.3.8 where reasonably required by the Investor, the Company will make available appropriate Company representatives for meetings and telephone calls requested by the Relevant Authority in connection with the obtaining of all Clearances and the implementation of the Proposed Investment.

## 8 **Director appointment**

8.1 The Company agrees that from the date of this agreement the Investor will be entitled at its sole discretion to (i) nominate one natural person as a director to be appointed to the Board of the Company (subject to the approval of the Company's nominated adviser, having carried out its AIM regulated nominated adviser checks, and the Company's governance procedures) ("**Appointed Director**") or (ii) appoint one natural person as an observer at any meeting of the Board of the Company ("**Board Observer**").

8.2 The Company will take all reasonable action to appoint, remove and replace an Appointed Director or Board Observer (as applicable) as the Investor (in its sole discretion) directs and will not permit nor take any step to remove an Appointed Director or Board Observer unless instructed to do so by the Investor (and in the event that any such person nominated in accordance with clause 8.1 above is deemed not to be a suitable director of the Company, the Company shall procure that a suitable alternative (as nominated by the Investor in accordance with clause 8.1 above) will be appointed).

## 9 **Variation and waiver**

9.1 No variation of this agreement will be effective unless it is in writing and signed by all the parties (or their authorised representatives).

9.2 No failure or delay by any party to exercise any right or remedy provided under this agreement or by law will constitute a waiver of that or any other right or remedy, nor will it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy provided under this agreement or by law will prevent or restrict the further exercise of that or any other right or remedy. A waiver of any right or remedy under this agreement or by law is only effective if it is in writing.

## 10 **Notices**

10.1 Any notice given to a party under or in connection with this agreement will be in writing and will be delivered by hand or by pre-paid first-class post or other next working day delivery service to that party's address as set out in this agreement, by email to that party's email address as set out below or to such other address as that party may notify to the other parties in accordance with this agreement.

**Company**

Email address: [REDACTED]

**Investor**

Email address: [REDACTED]

10.2 Any notice will be deemed to have been received (provided that all other requirements in this paragraph 10 have been satisfied):

10.2.1 if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address;

10.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 a.m. on the second Business Day after posting or at the time recorded by the delivery service; or

10.2.3 if sent by email, on successful completion of its transmission.

**11 Severance**

11.1 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it will be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision will be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause will not affect the validity and enforceability of the rest of this agreement.

11.2 The parties agree that, if the Takeover Panel determines that any provision of this agreement that requires the Company to take or not to take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Takeover Code, that provision will have no effect and will be disregarded.

**12 Counterparts**

This agreement may be executed in any number of counterparts, each of which when executed will constitute a duplicate original, but all the counterparts will together constitute the one agreement.

**13 Rights and remedies**

Except as expressly provided in this agreement, the rights and remedies provided under this agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

**14 Governing law and jurisdiction**

14.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation will be governed by and construed in accordance with the law of England and Wales.

14.2 Each party irrevocably agrees that the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

**IN WITNESS WHEREOF** this document has been executed and delivered on the date first stated above.

## Schedule

### Commercial Terms of the Proposed Investment

- 1 The Investor and the Company will enter into a private subscription agreement for Ordinary Shares, pursuant to which the Investor will acquire such number of New Ordinary Shares that will take its holding up to 29.9% of the Enlarged Issued Share Capital (defined below) (such percentage will be inclusive of any shareholding that the Investor holds in the Company at such time or any remaining conversion rights the Investor has under the Loan Agreement(s)), at a price of 10 pence per Ordinary Share (the "**Marketed Price**"), (the "**Private Placing**").
  
- 2 The Company will:
  - 2.1 via Cavendish as its nominated broker, carry out a placing of Ordinary Shares in the Company (the "**Institutional Placing**"). The Institutional Placing will be directed only at:
    - 2.1.1 existing institutional shareholders of the Company as at the date of the Institutional Placing (institutional shareholders for this purpose being any such existing shareholder of the Company who is not a retail shareholder eligible to participate in the Bookbuild Offer) who will participate in the Institutional Placing at no less than the Marketed Price; and
    - 2.1.2 the Investor who will participate in the Institutional Placing at the Marketed Price, (together the "**Institutional Placees**");
  - 2.2 give the opportunity to Adrian Carey, Sherry Madera and Nigel Vaughan (but not Graham Curren) to invest in the Company alongside the Institutional Placing at no less than the Marketed Price via private subscription agreements with the Company (the "**Subscription**"); and
  - 2.3 offer up to 10,000,000 Ordinary Shares (up to a maximum total value of £1,000,000) at no less than the Marketed Price to existing retail shareholders of the Company via the BookBuild platform (the "**Bookbuild Offer**") (the Private Placing, the Institutional Placing, the Subscription and the Bookbuild Offer together, the "**Fundraising**").
  
- 3 The Investor will be the sole participant in the Private Placing.
  
- 4 At Fundraising Completion, and on the basis that all New Ordinary Shares (defined below) will be placed or subscribed for at the Marketed Price, the Company will:
  - 4.1 issue 65,000,000 new Ordinary Shares (including for this purpose ordinary shares in the Company issued pursuant to conversion of the Convertible Loan(s)) ("**New Ordinary Shares**");
  - 4.2 have in issue 152,461,772 Ordinary Shares ("**Enlarged Issued Share Capital**"); and
  - 4.3 raise proceeds of £6.5 million which will deliver at least £6 million for the Company, net of transaction costs.
  
- 5 Fundraise Completion will occur by no earlier than 22 April 2024 to allow such time for (amongst other things) the Investor to obtain NSIA Approval (as defined below).
  
- 6 Graham Curren has confirmed to the Company that he will not participate in the Fundraising, however the Company and the Investor acknowledge that Graham Curren's pro rata entitlement to participate in the Fundraising will be allocated to the Excess Application Facility.

### **Admission and conditions**

- 7 Completion of the Fundraising and admission of the New Ordinary Shares to trading on AIM ("**Fundraise Completion**") will be conditional upon (inter alia):
- 7.1 completion of due diligence pursuant to clause 5 of this agreement to the sole satisfaction of the Investor;
  - 7.2 the Takeover Panel approving the disapplication of Rule 9 of the Takeover Code in accordance with clause 6 of this agreement;
  - 7.3 the Company and the Investor obtaining all necessary Clearances (including without limitation approvals pursuant to the NSIA) as set out in clause 7 of this agreement;
  - 7.4 the approval of the board of directors of the Investor;
  - 7.5 the publication of the Circular containing the Board Recommendation (defined below);
  - 7.6 resolutions being passed at a duly convened general meeting of the Company to (i) grant to the Company's directors sufficient authority to allot the New Ordinary Shares for cash free from pre-emption rights and (ii) approve the Proposed Investment by the Investor in accordance with Rule 9 of the Takeover Code (the "**Relevant Resolutions**"); and
  - 7.7 Graham Curren having given an irrevocable undertaking to the Investor to vote on favour of the Relevant Resolutions (in a form acceptable to the Investor, acting reasonably),

each a "**Fundraising Condition**" and together the "**Fundraising Conditions**".

- 8 The Company and the Investor will each use their respective reasonable endeavours (insofar as each of them is reasonably able) to diligently pursue and achieve satisfaction of the Fundraising Conditions (and any other conditions precedent to completion of the Fundraising) as soon as reasonably practicable after the date of this agreement, and the Investor acknowledges that it will be necessary to have completed its due diligence and secured the necessary approval of its board of directors prior to publication of the Circular.
- 9 The Company acknowledges and agrees that the legally binding documents for the Proposed Investment, if and when entered into, will include an unconditional recommendation to the shareholders of the Company (the "**Shareholders**") by the board of directors of the Company to vote in favour of the Relevant Resolutions ("**Board Recommendation**").

### **Allocation**

- 10 The Company (via Cavendish as broker where appropriate) will use reasonable endeavours to establish which of the Company's existing shareholders wishes to commit to participate in their relevant part of the Fundraising, but excluding the Private Placing, (each such existing shareholder a "**Participating Shareholder**") and, for each Participating Shareholder, the maximum amount which they are prepared to invest in the Fundraising (their "**Maximum Investment Amount**").
- 11 At Fundraise Completion, events will occur and allocation will be made in the order they appear below:

- 11.1 the principal amount of the Convertible Loan(s) will convert automatically in accordance with its terms (the Ordinary Shares issued on such conversion, the "**Conversion Shares**"); then
- 11.2 the Investor will be allocated such number of New Ordinary Shares, via the Private Placing, and without prejudice to paragraph 21 of this Schedule as will take their percentage shareholding in the Company (including the Conversion Shares) to 29.9% of the Enlarged Issued Share Capital (the "**Private Placing Shares**"); then
- 11.3 the Participating Shareholders will be allocated New Ordinary Shares in such numbers as would (subject in each case to their Maximum Investment Amount not being exceeded) be equal to their pro-rata entitlement, calculated by reference to their existing shareholding expressed as a percentage of the Company's entire issued share capital (in each case prior to Fundraise Completion but envisaging that the Investor has been issued the Conversion Shares and the Private Placing Shares); then
- 11.4 to the extent that any existing shareholder has not participated in the Fundraising for their pro rata entitlement, an excess application facility will allocate any remaining New Ordinary Shares to the Investor and Participating Shareholders pro-rata to their shareholding ("**Excess Application Facility**"), having envisaged that the allocations in paragraphs 11.1, 11.2 and 11.3 of this Schedule have occurred provided always that nothing in this paragraph 11 will require a Participating Shareholder to invest in excess of their Maximum Investment Amount.
- 12 The Investor has confirmed its willingness (subject to the agreed allocation process set out above and satisfaction of each of the Fundraising Conditions) to subscribe for all of the New Ordinary Shares at the Marketed Price resulting in the Investor investing £6,500,000 in the Company (the "**Maximum Investor Proposed Investment**"). The Maximum Investor Proposed Investment results in the Fundraising being guaranteed to be fully subscribed.

**Other**

- 13 The Company undertakes to the Investor that its directors have and will maintain at all times sufficient statutory allotment authorities from the Company's shareholders to enter into the Convertible Loan and allot and issue the Conversion Shares in accordance with the terms of the Loan Agreement(s).
- 14 The Investor will not be required to enter into any lock up or orderly market restrictions.
- 15 Following completion of the conversion of the Conversion Shares pursuant to the Loan Agreement:
- 15.1 the Investor will, at its sole discretion, be entitled to (i) nominate one natural person as a director to be appointed to the Board of the Company (subject to the approval of the Company's nominated adviser, having carried out its AIM regulated nominated adviser checks, and the Company's governance procedures) or (ii) appoint one natural person as an observer at any meeting of the Board of the Company;
- 15.2 the Company will take all reasonable action to appoint, remove and replace an Appointed Director or Board Observer (as applicable) as the Investor (in its sole discretion) directs and will not permit nor take any step to remove an Appointed Director or Board Observer unless instructed to do so by the Investor (and in the event that any such person nominated in accordance with this agreement is deemed not to be a suitable director of the Company, the Company shall procure that a suitable alternative (as nominated by the Investor) will be appointed); and
- 15.3 the Company and the Investor will enter into a relationship agreement with the Company's nominated adviser pursuant to which the Investor will (i) give undertakings

typically included in such an agreement for the purpose of ensuring that the business of the Company can be carried on independently and for the benefit of all shareholders and accordingly is suitable for AIM provided that the Investor will not be required to provide any undertakings that are contrary to its intentions for the Company as set out in the Circular, and (ii) have the right to receive the following information:

- 15.3.1 monthly management accounts of the Company within 30 days of the end of the relevant month;
  - 15.3.2 audited annual financial statements of the Company as soon as practicable and in any event within 6 months of year end;
  - 15.3.3 a copy of any debt or equity funding proposals provided to the Company's management;
  - 15.3.4 copies of all board packs and minutes of meetings of the Board of the Company;
  - 15.3.5 copies of all circulars, annual reports, announcements and other correspondence sent to shareholders of the Company;
  - 15.3.6 details of all material, current, pending or threatened litigation; and
  - 15.3.7 such other financial information as the Investor may reasonably request.
- 16 The Proposed Investment must comply with all applicable Laws.

### ***Announcements***

- 17 Without prejudice to the Company's legal and regulatory obligations as a public company whose shares are traded on AIM, the Company will use best endeavours to ensure that (i) the Investor is given prior sight as soon as practicable of any RIS announcements proposed to be issued in connection with the Fundraising or any other matters contemplated by this agreement and (ii) the prior consent of the Investor to the release of any such RIS announcement is obtained (such consent not to be unreasonably withheld or delayed).

### ***Financing***

- 18 The Company and the Investor acknowledge that, due to the need to obtain the Clearances, the Fundraise Completion will not occur earlier than April 2024. On this basis it is likely that the Company will have further working capital funding requirements each month until Fundraise Completion occurs.
- 19 Following the date of this agreement:
- 19.1 the Company will send a notice of general meeting to its shareholders proposing resolutions to give the Company's directors further statutory authority to allot new shares (and rights convertible into shares) in such amounts as the Company's board of directors considers appropriate (the "**Allotment Authority Resolutions**"); and
  - 19.2 subject always to:
    - 19.2.1 the Allotment Authority Resolutions having been duly passed by the Company's shareholders and being sufficient to allow for any such convertible loan;



- 19.2.2 completion of due diligence pursuant to clause 5 of this agreement to the sole satisfaction of the Investor;
- 19.2.3 the Company's trading performance continuing in line with management expectations and no RIS announcements having been made to the contrary;
- 19.2.4 the approval of the board of directors of the Investor; and
- 19.2.5 this agreement not having terminated in accordance with clause 4,

the Investor will advance further loans to the Company which are convertible into new Ordinary Shares at the Marketed Price and otherwise on terms similar to those set out in the Original Loan Agreement in such amounts as agreed between the Company and the Investor in good faith as will allow the Company to meet its payroll and other working capital requirements each month until Fundraise Completion occurs, provided always that any such further convertible loans comply with all applicable laws and do not breach the requirements of any Relevant Authority.

#### **NSIA**

- 20 If the Investor and the Company determine that the approval of the Secretary of State to the Proposed Investment is required pursuant to the NSIA (the "**NSIA Approval**"), notwithstanding any other term of this agreement, the Investor's shareholding in the Company will not exceed 25% (the "**Permitted Threshold**").
- 21 In the event that NSIA Approval is not obtained by 1 June 2024:
  - 21.1 the New Ordinary Shares will be notionally allocated on the basis described in paragraph 10 above, but the Investor will only actually subscribe for such number of New Ordinary Shares as will take its shareholding in the Company to the Permitted Threshold;
  - 21.2 the Investor will only be required to subscribe for the New Ordinary Shares representing the balance of the Maximum Investor Proposed Investment once NSIA Approval has been obtained; and
  - 21.3 the Company and the Investor will negotiate in good faith and use reasonable endeavours to agree the basis on which additional funding would be made available to the Company by the Investor in order to meet the Company's working capital requirements (if any) at that stage.

Executed as a deed by  
**Sondrel (Holdings) PLC**  
acting by a director in the presence of

)  
)  
) **Director**

DocuSigned by:  
[Redacted]  
77BBBE3796AB4F6...  
Signature of witness

Name [Redacted]

Address [Redacted]

[Redacted]

Executed as a deed  
by **ROX Equity Partners Limited**  
in the presence of:

)  
) .....  
) **Director**  
)  
)

.....  
Signature of witness

Name .....

Address .....

.....

Executed as a deed by )  
**Sondrel (Holdings) PLC** ) .....  
acting by a director in the presence of ) Director

.....  
Signature of witness

Name .....

Address .....

.....

Executed as a deed )  
by **ROX Equity Partners Limited** )  
in the presence of: ) .....  
 ) Director  
 )  
 )

DocuSigned by:  
.....  
BAA89806E88341F...  
Signature of witness

Name .....

Address .

.....