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**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should in particular carefully consider the section entitled “Risk Factors” set out in Part 2 of this document.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares prior to the Ex-entitlement Date, please send this document and accompanying Form of Proxy and Application Form as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom you have sold or transferred your shares for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares on or before the Record Date, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

The maximum amount to be raised under the Open Offer shall be less than €8 million (or an equivalent amount in pounds sterling). Neither the Placing, nor the Subscription nor the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation together with the Prospectus Regulation Rules made by the Financial Conduct Authority of the United Kingdom (“FCA”) pursuant to sections 73A(1) and (4) of FSMA and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“Admission”). The New Ordinary Shares will not be admitted to trading on any other investment exchange. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM on 30 June 2020. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares.

**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with a financial adviser.**

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## **PORTMEIRION GROUP PLC**

*(incorporated and registered in England and Wales with registered number 00124842)*

**Placing and Subscription of 2,804,309 New Ordinary Shares at 380 pence per Ordinary Share**

**Open Offer of up to 530,590 New Ordinary Shares at 380 pence per Ordinary Share**

**and**

**Notice of General Meeting**

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**This document should be read as a whole. Your attention is drawn, in particular, to the letter from the Chairman of Portmeirion Group PLC set out in Part 1 of this document which provides details of the Fundraising and recommends that you vote in favour of the**

**Resolutions to be proposed at the General Meeting referred to below and to the Risk Factors in Part 2 of this document which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.**

Notice of a General Meeting of Portmeirion Group PLC, to be held at the Company's registered office, being London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ on 29 June 2020 at 12.00 noon, is set out at the end of this document. A Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out therein as soon as possible but in any event so as to reach the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, by not later than 12.00 noon on 27 June 2020. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose.

**In light of the UK Government's measures introduced in response to the COVID-19 outbreak, including to avoid public gatherings and all non-essential travel and social contact, Shareholders should not seek to attend the meeting in person. Unless the restrictions imposed by the UK Government are eased significantly by the time of the meeting, entry to the meeting will be refused to anyone who does try to attend, to ensure compliance with the law. Instead, the Company strongly encourages all Shareholders to exercise their right to vote at the meeting by submitting their Form of Proxy, appointing the Chairman of the meeting as proxy.**

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked "ex" the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time for application and payment in full under the Open Offer is 11.00 a.m. on 26 June 2020 and the procedure for application and payment is set out in Part 4 of this document.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated in the United Kingdom by the FCA, is acting for the Company as nominated adviser and joint broker and no-one else in connection with the Fundraising. Panmure Gordon will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising or any other matter referred to herein. Panmure Gordon has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Panmure Gordon nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. Panmure Gordon expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated in the United Kingdom by the FCA, is acting for the Company as joint broker and no-one else in connection with the Fundraising. N+1 Singer will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising or any other matter referred to herein. N+1 Singer has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by N+1 Singer nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. N+1 Singer expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

## IMPORTANT NOTICE

### Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Neither the content of any website referred to in this document nor any hyperlinks on such website is incorporated in, or forms part of, this document.

### Notice to overseas persons

The distribution of this document, the Form of Proxy and/or the Application Form in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document is for information purposes only. The Existing Ordinary Shares and the New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States. The New Ordinary Shares are being offered outside of the United States in “offshore transactions” pursuant to Regulation S under the US Securities Act and none of the New Ordinary Shares, the Open Offer Entitlement or the Application Form may be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and, in each case, in compliance with any applicable securities laws of any state or other jurisdiction of the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person with a registered address, or who is resident or located in, the United States, and there will be no public offer of New Ordinary Shares in the United States. Neither the Existing Ordinary Shares nor the New Ordinary Shares have been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The Placing Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain

exemptions, the Placing Shares may not be offered, sold, taken up, delivered or transferred in, into or from Australia, Canada, the Republic of Ireland, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “**Placing Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of a Placing Restricted Jurisdiction.

The Open Offer Shares will not qualify for distribution in any jurisdiction other than the United Kingdom. Accordingly, the Open Offer Shares may not be offered, sold, taken up, delivered or transferred in, into or from any jurisdiction other than the UK (each an “**Open Offer Restricted Jurisdiction**”) or to or for the account or benefit of any national, resident or citizen of an Open Offer Restricted Jurisdiction.

This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Placing Restricted Jurisdiction or Open Offer Jurisdiction (as applicable) and this document is not for distribution in, into or from a Placing Restricted Jurisdiction.

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## KEY STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document (excluding treasury shares)	10,877,101
Issue Price for each New Ordinary Share	380 pence

## PLACING AND SUBSCRIPTION STATISTICS

Number of Placing Shares	2,631,578
Number of Subscription Shares	172,731
Placing Shares and Subscription Shares as a percentage of Existing Ordinary Shares	25.8%
Number of Ordinary Shares in issue following Admission <sup>(1)</sup>	13,681,410
Placing Shares and Subscription Shares as a percentage of Enlarged Share Capital <sup>(1)</sup>	20.5%
Estimated proceeds of the Placing and Subscription to be received by the Company net of expenses relating to the Placing and Subscription	£10.11 million

## OPEN OFFER STATISTICS

Maximum number of Open Offer Shares to be offered pursuant to the Open Offer <sup>(2)</sup>	530,590
Open Offer Shares as a percentage of Existing Ordinary Shares <sup>(2)</sup>	4.9%
Open Offer Shares as a percentage of Enlarged Share Capital <sup>(2)</sup>	3.7%

## OVERALL FUNDRAISING STATISTICS

Enlarged Share Capital immediately following completion of the Fundraising <sup>(2)</sup>	14,212,000
New Ordinary Shares as a percentage of the Enlarged Share Capital <sup>(2)</sup>	23.5%
Gross proceeds of the Fundraising <sup>(2)</sup>	£12.67 million
Estimated net proceeds of the Fundraising <sup>(2)</sup>	£12.05 million
Market capitalisation at Issue Price immediately following completion of the Fundraising <sup>(2)</sup>	£54.01 million
ISIN – Ordinary Shares	GB0006957293
ISIN – Open Offer Basic Entitlements	GB00BMXB1Q68
ISIN – Open Offer Excess Entitlements	GB00BMXB1R75

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(1) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares and excluding any issue of Open Offer Shares.

(2) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares and full take up of the Open Offer.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	Close of business on 9 June 2020
Announcement of the proposed Placing and Open Offer	7.00 a.m. on 10 June 2020
Announcement of the result of the Placing	10 June 2020
Ex-entitlement Date of the Open Offer	8.00 a.m. on 11 June 2020
Posting of this document, the Application Form and Form of Proxy	by 11 June 2020
Basic Entitlements and Excess Entitlements credited to stock accounts in CREST for Qualifying Shareholders	12 June 2020
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 22 June 2020
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 23 June 2020
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 24 June 2020
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	11.00 a.m. on 26 June 2020
Latest time and date for receipt of Forms of Proxy	12.00 noon on 27 June 2020
<b>Time and date of General Meeting</b>	12.00 noon on 29 June 2020
Announcement of the results of the General Meeting and Open Offer	29 June 2020
<b>Admission to trading on AIM and commencement of dealings in Placing Shares and Open Offer Shares</b>	8.00 a.m. on 30 June 2020
CREST accounts to be credited for Placing Shares and Open Offer Shares to be held in uncertificated form	30 June 2020
Expected date of despatch of definitive share certificates for the New Ordinary Shares in certificated form	5 Business Days after New Ordinary Shares credited in CREST (by 7 July 2020)

(1) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.

(2) All of the above times, and other time references in this document, refer to UK time.

*In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part 4 of this document and, where relevant, complete the accompanying Application Form.*

*If you have any queries please contact Link Asset Services on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.*

## DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:-

“2020 AGM”	the annual general meeting of the Company held on 19 May 2020
“Act”	the Companies Act 2006 (as amended)
“Admission”	in respect of the Placing Shares and Subscription Shares means admission of the Placing Shares and Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules, and in respect of the Open Offer Shares means admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, as published by the London Stock Exchange from time to time
“Applicant”	a Qualifying Shareholder or a person by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer
“Application Form”	the application form relating to the Open Offer and enclosed with this document for use by Qualifying non-CREST Shareholders
“Basic Entitlement(s)”	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part 4 of this document
“Board” or “Directors”	the board of directors of the Company, whose names are set out at page 13 of this document
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
“CCSS”	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
“certificated or in certificated form”	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Company” or “Portmeirion”	Portmeirion Group PLC, a company incorporated in England and Wales with registered number 00124842
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)
“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001-No. 3775), as amended



“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Enlarged Share Capital”	the issued share capital of the Company following Admission, as enlarged by the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of the Basic Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Qualifying CREST Shareholder’s account in CREST, pursuant to the Excess Application Facility, which is conditional on the Qualifying CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of this document
“Excess Entitlement(s)”	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part 4 of this document
“Excess Shares”	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer being 11 June 2020
“Existing Ordinary Shares”	the 10,877,101 Ordinary Shares in issue at the date of this document (excluding treasury shares)
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document
“FSMA”	Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together, the Placing, the Subscription and Open Offer
“General Meeting”	the general meeting of the Company convened for 12.00 noon on 29 June 2020 at which the Resolutions will be proposed, notice of which is set out at the end of this document
“Group”	the Company and its Subsidiaries
“ISIN”	International Securities Identification Number
“Issue Price”	380 pence per New Ordinary Share
“Joint Brokers”	Panmure Gordon and N+1 Singer
“Latest Practicable Date”	means 5.00 p.m. on 9 June 2020
“Link Asset Services”	a trading name of Link Market Services Limited
“London Stock Exchange”	London Stock Exchange plc
“Member account ID”	the identification code or number attached to any member account in CREST

“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“N+1 Singer”	Nplus1 Singer Advisory LLP (together with its affiliate entities), the Company’s Joint Broker
“New Ordinary Shares”	up to 3,334,899 new Ordinary Shares to be issued pursuant to the Fundraising (being the Placing Shares, the Subscription Shares and the Open Offer Shares)
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Open Offer”	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document and, where relevant, in the Application Form
“Open Offer Entitlements”	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and the Excess Entitlement
“Open Offer Restricted Jurisdiction”	any jurisdiction other than the United Kingdom
“Open Offer Shares”	up to 530,590 New Ordinary Shares to be issued pursuant to the Open Offer
“Option Schemes”	The Portmeirion Group 2018 Deferred Incentive Share Option Plan and the Portmeirion 2012 Approved and Unapproved Share Option Plans
“Ordinary Shares”	the ordinary shares of 5 pence each in the share capital of the Company
“Overseas Shareholders”	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in Restricted Jurisdictions
“Panmure Gordon” or “Joint Broker and Nominated Adviser”	Panmure Gordon (UK) Limited, the Company’s Nominated Adviser and Joint Broker
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placees”	any person who has agreed to subscribe for Placing Shares
“Placing”	the proposed placing by the Company of the Placing Shares at the Issue Price
“Placing and Open Offer Agreement”	the conditional agreement dated 10 June 2020 between the Company, Panmure Gordon and N+1 Singer in connection with the Fundraising, further details of which are set out in this document
“Placing Restricted Jurisdiction”	the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing would breach any applicable law
“Placing Shares”	the 2,631,578 New Ordinary Shares conditionally subscribed for in accordance with the terms of the Placing and Open Offer Agreement

“Prospectus Regulation”	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market
“Prospectus Regulation Rules”	the rules and regulations made by the FCA under Part VI of the Financial Services and Markets Act 2000 (as amended from time to time)
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares other than Shareholders with registered addresses, or who are citizens or residents of, or incorporated in an Open Offer Restricted Jurisdiction, whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document
“Receiving Agent”	Link Asset Services (a trading name of Link Market Services Limited)
“Record Date”	close of business on 9 June 2020
“Registrar”	Link Asset Services
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Resolutions”	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
“Restricted Jurisdictions”	Open Offer Restricted Jurisdictions and Placing Restricted Jurisdictions
“ROW”	rest of the world
“Securities Act”	the United States Securities Act of 1933
“Shareholder”	a holder of Ordinary Shares
“Subscribers”	certain of the Directors of the company, Robert Findler, a senior manager of the Company, and other existing Shareholders
“Subscription”	the conditional subscription by the Subscribers for the Subscription Shares
“Subscription Letters”	the subscription letters dated 10 June 2020 and made between the Company and each of the Subscribers
“Subscription Shares”	the 172,731 New Ordinary Shares conditionally subscribed for by the Subscribers at the Issue Price that will be allotted and issued to the Subscribers subject to, <i>inter alia</i> , the passing of the Resolutions and Admission
“Subsidiary”	has the meaning given to it in section 1159 of the Act
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated or in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“US or United States”

the United States of America, its territories and possessions, any state of the United States and the District of Columbia

“USE”

unmatched stock event

## DIRECTORS, SECRETARY AND ADVISERS

Directors	Dick Steele ( <i>Non-Executive Chairman</i> ) Mike Raybould ( <i>Chief Executive</i> ) David Sproston ( <i>Group Finance Director</i> ) Andrew Andrea ( <i>Non-Executive Director</i> ) Lawrence Bryan ( <i>Non-Executive Director</i> ) Angela Luger ( <i>Non-Executive Director</i> ) Phil Atherton ( <i>Group Sales and Marketing Director</i> ) Mick Knapper ( <i>Operations Director</i> )
Company Secretary	Moira MacDonald
Head office and registered office	London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ
Joint Broker and Nominated Adviser	Panmure Gordon (UK) Limited 1 New Change, London, EC4M 9AF
Joint Broker	Nplus1 Singer Advisory LLP 1 Bartholomew Lane, London, EC2N 2AX
Legal advisers to the Joint Brokers	Fieldfisher LLP Riverbank House, 2 Swan Lane, London, EC4R 3TT
Legal advisers to the Company	Pinsent Masons LLP 30 Crown Place, Earl Street, London, EC2A 4ES
Receiving Agent	Link Asset Services Corporate Actions The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
Registrars	Link Asset Services The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

## Part 1

# LETTER FROM THE CHAIRMAN PORTMEIRION GROUP PLC

(incorporated in England and Wales with registered number 00124842)

*Directors:*

Dick Steele (*Non-Executive Chairman*)  
Mike Raybould (*Chief Executive*)  
David Sproston (*Group Finance Director*)  
Andrew Andrea (*Non-Executive Director*)  
Lawrence Bryan (*Non-Executive Director*)  
Angela Luger (*Non-Executive Director*)  
Phil Atherton (*Group Sales and Marketing Director*)  
Mick Knapper (*Operations Director*)

*Registered Office:*

London Road,  
Stoke-on-Trent,  
Staffordshire, ST4 7QQ

11 June 2020

Dear Shareholder

**Placing and Subscription of 2,804,309 New Ordinary Shares at 380 pence per Ordinary Share Open Offer of up to 530,590 New Ordinary Shares at 380 pence per Ordinary Share**

**and**

**Notice of General Meeting**

### 1. Introduction

On 10 June 2020, the Board announced a conditional Placing of 2,631,578 Placing Shares at 380 pence each and a Subscription of 172,731 Subscription Shares also at 380 pence each to raise £10.66 million in aggregate before expenses. The Issue Price represents a discount of 1.30 per cent. to the Closing Price at the Latest Practicable Date.

In addition, in order to provide Shareholders who have not taken part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 530,590 Open Offer Shares to raise up to £2.0 million (before expenses), on the basis of 2 Open Offer Shares for every 41 Existing Ordinary Shares held on the Record Date, at 380 pence per share. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

The Placing Shares are not subject to clawback and are not part of the Open Offer.

The Fundraising is conditional, *inter alia*, on the passing of Resolutions 1 and 2 by Shareholders at the General Meeting, which is being convened for 12.00 noon on 29 June 2020. Application will be made to the London Stock Exchange for Admission of the New Ordinary Shares. It is expected that Admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 30 June 2020 (being the Business Day following the General Meeting).

If the conditions relating to the issue of the Placing Shares are not satisfied, or the Placing and Open Offer Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the related placing monies. In this scenario, the Open Offer and Subscription will similarly not proceed.

The purpose of this document is to provide Shareholders with information regarding the Fundraising, and to convene a General Meeting at which the Resolutions seeking Shareholder authority for the issue of the New Ordinary Shares will be put to the Shareholders. If Resolutions 1 and 2 are not passed, the Company will be unable to issue the New Ordinary Shares.

Further information about the Fundraising and the Company's current trading and prospects is set out below.

**You will find set out at the end of this document the Notice of General Meeting, to be held at Portmeirion Group PLC's registered office at London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ at 12.00 noon on 29 June 2020, at which the Resolutions will be proposed in the case of Resolutions 1 and 3 as ordinary resolutions and in the case of Resolutions 2 and 4 as special resolutions.**

**In light of the UK Government's measures introduced in response to the COVID-19 outbreak, including to avoid public gatherings and all non-essential travel and social contact, Shareholders should not seek to attend the meeting in person. Unless the restrictions imposed by the UK Government are eased significantly by the time of the meeting, entry to the meeting will be refused to anyone who does try to attend, to ensure compliance with the law. Instead, the Company strongly encourages all Shareholders to exercise their right to vote at the meeting by submitting their Form of Proxy, appointing the Chairman of the meeting as proxy.**

## **2. Background to and reasons for the Fundraising**

Portmeirion Group PLC has a combined group history of over 700 years across its six brands: Portmeirion, Spode, Royal Worcester, Pimpernel, Wax Lyrical and Nambé. Its well-diversified business sells products with timeless designs in over 70 countries. The Group has established global sales channels, two in-house UK factories with capacity for growth as well as partnerships with premium quality factories around the world.

The Group is a cash generative and profitable business which has seen 11 years of consecutive revenue growth and has a strong balance sheet in the form of significant net assets. The Group's key growth markets include the UK, US and South Korea. The Group benefits from a new management team with a refreshed strategy focused on growth and margin improvement through six key areas:

- acceleration of online transformation and the growth opportunities therein;
- leveraging the Group's strong brands and product development to drive sales growth;
- ongoing discipline and diversification to protect the Group's brands long-term;
- leveraging the Group's Wax Lyrical and Nambé acquisitions by expanding into new, adjacent product categories and ROW market expansion;
- more targeted focus on key ROW growth opportunities; and
- driving operating and procurement efficiency and capabilities in the Group's factories and warehousing, processes and across global teams.

Continuous brand and product development remains at the heart of the Group's operations.

On 30 March 2020, the Group announced recent trading had been impacted by COVID-19 and its wider effects. As a result of the guidance provided and instructions issued by the UK Government, including the strict UK-wide lockdown, stores retailing the Group's products were closed and the Group's Stoke-on-Trent ceramic factory was temporarily closed. On 6 May 2020, the ceramic factory was able to partially reopen at a reduced capacity to fulfil existing export orders as new safe social distancing procedures had been put in place. UK and US warehouses have continued to operate safely and efficiently, servicing the ecommerce business without any disruption. The Group continues to ship export orders to the Far East, where retail stores have been reopened, and has seen a significant uplift in online sales in the UK and US. The Group's own ecommerce site sales were up by more than 100% in April and May 2020 over the same period last year. The Group's UK home fragrance company, Wax Lyrical, repurposed production lines at its Cumbria based factory and has been producing hand sanitiser for the community, NHS and pharmacies. The Board forecasts that in excess of 1 million units of hand sanitiser will be produced during the second quarter of 2020.

The ongoing effects of COVID-19 are expected to continue to have a significant impact on sales via stores whilst countries remain in a form of lockdown. While some restrictions are beginning to be eased in many countries, with non-essential retailers in the UK to begin opening from 15 June 2020, many restrictions and safety measures are likely to remain in place for some time which are expected to continue to impact on trading in stores. However COVID-19 has accelerated certain trends and opportunities, including the growth of ecommerce sales, the consumer trend for buying

homewares and the demand for a new hand sanitiser product line, which the Group intends to capitalise on through the Fundraising.

The Placing and Subscription is expected to raise £10.66 million in gross proceeds (approximately £10.11 million in net proceeds) with up to a further £2.0 million via the Open Offer. The Board currently intends to use the majority of funds raised to accelerate its growth strategy and margin improvement plans, in particular to:

- accelerate all online channel sales growth and increase next day delivery warehouse capacity;
- extend the Wax Lyrical line to hand and body products;
- build a more significant presence in Canada and revitalise the Canadian market;
- invest in UK manufacturing efficiencies driving operating margins; and
- maintain a strong balance sheet.

The Group intends to invest in accelerating online penetration in 2020-21 in order to achieve significant sales growth from this channel at gross margins above the Group's average. In 2019, the UK/US markets' total online sales were c.30% (+17%). The Group's own ecommerce business was £6.3m (+16%) and the customer list grew c.100%. The Group's own ecommerce business had c.100% year-on-year growth in April and May 2020, following increased investment in its online channels and a focus on ecommerce sales. The Group intends to invest in customer acquisition with the objective of boosting lifetime values of direct consumer relationships, launch new UK/US websites in the second half of 2020 and build out its internal digital resources. In addition, the Group intends to increase UK ecommerce fulfilment capacity and to ensure the critical next day dispatch promise continues to be achieved, including during peak times.

In the Wax Lyrical division, the Group intends to build out its body range product lines as part of its long-term strategy. This would be a profitable new revenue stream using existing UK factory capacity. The Group intends to develop two to three new ranges under its current brands, leveraging the experience, market knowledge and contacts built up in the first phases of the project during COVID-19. Investment will be made in a long-term manufacturing line and sales will be focused on online and current customers in the UK, US and Far East.

The Group also has an opportunity to grow and revitalise its presence in the Canadian market: Canada sales were £1.1 million in 2019 as part of a joint venture arrangement with Royal Selangor Inc. The Group is in discussions to buy Royal Selangor Inc.'s entire shareholding in H2 2020 such that Portmeirion Canada Inc. (the vehicle for the joint venture) would become a wholly owned subsidiary. The Group would then leverage its US team's online skills and reposition Canada to drive revenue growth and profit.

Targeted manufacturing investments include improved UK factory facilities, heat release machines and digital printing, all with a view to achieving more efficient energy usage and overall lower unit costs.

### **3. Current Trading and Prospects**

On 19 March 2020, the Group announced its audited results for the year ended 31 December 2019. Group revenue increased by 3.6% to £92.8 million (2018: £89.6 million), including the benefit of Nambé sales post-acquisition. Like-for-like revenue declined by 5.1% to £85.0 million (2018: £89.6 million). The Group's operating margin was reduced as a result of the short-term South Korea market impact. Headline basic earnings per share were 56.32p (2018: 72.12p). 2019 saw strong growth in online sales in the Group's core UK and US markets of 17%, as well as growth in South Korea; ROW sales were down due to control of parallel shipping of the Group's Botanic Garden product range into South Korea.

The Group has agreed debt facilities with Lloyds Bank, totalling £28 million. This consists of a £10 million revolving credit facility repayable in full in May 2022, a £5 million overdraft facility on an annual renewal cycle, a £10 million term loan repayable in equal annual instalments over 5 years from May 2016, of which £3 million was outstanding at the year end, and a £10 million term loan repayable over 4.5 years from January 2020. At the year end, the Group had net debt of £12.3 million with significant headroom on its borrowing facilities and net assets of £48 million. The Board remains confident that the Group's borrowing facilities can be renewed as necessary at the end of the relevant term.



Subsequent to the year end, and as summarised above, the Company has announced various updates in relation to the significant impact of COVID-19 on the Group's operations and sales. In order to preserve cash and minimise the impact of reduced sales on the Group's profit, the Group has implemented a number of cash retention initiatives, including deferring dividend payments, stripping back capital expenditure and cutting non-essential spend. The Group has also used the UK Government's Coronavirus Job Retention Schemes to reduce its short-term operational cost base. The Board is confident that early and swift action taken to minimise cash burn will put the Group in a strong position to expand margins once lockdown restrictions are lifted around the world with the Group's current cash resources and access to liquidity under the Group's borrowing facilities providing sufficient headroom through 2020. The Directors expect the Group's cash burn in Q2 2020 to be less than £1 million.

Further to these market updates, since acquiring the Nambé brand in July 2019 for \$12 million, anticipated cost synergies of £0.5m per annum from 2020 are on track to be achieved and the integration of Nambé and the Group's other US operations has been completed. Anticipated sales synergies for the US and Canada, UK and the ROW are currently on hold pending the COVID-19 retailer lockdown being lifted and retail footfall generally improving. Having identified over-supply of the Botanic Garden products which were being parallel shipped into South Korea in Q1 2019, the Group has reduced ROW Botanic Garden sales to potential parallel ship markets, implemented tighter processes with the South Korea distributor and hired a new market sales manager.

The Wax Lyrical division is now poised for a return to growth following a challenging Q4 2019. New export distributors have been agreed in Q1 2020 for China, Taiwan, Portugal and Greece; new US agents have been in place since Q1 2020 and the new website launched in March 2020. Further new product launches are expected in Q2 and Q3 2020.

### **Principal terms of the Fundraising**

The Company has conditionally placed 2,631,578 Placing Shares through a Placing at the Issue Price and 172,731 Subscription Shares pursuant to the Subscription at the Issue Price raising £10.66 million in aggregate (before expenses). Alongside the Placing and Subscription, the Company is making an Open Offer pursuant to which it may raise a further amount of up to £2.0 million (before expenses) at the Issue Price.

#### ***Placing***

Pursuant to the terms of the Placing and Open Offer Agreement, Panmure Gordon and N+1 Singer, as agents for the Company, have conditionally agreed to use reasonable endeavours to place the Placing Shares at the Issue Price.

The Placing is conditional, *inter alia*, on the following:

- i) Resolutions 1 and 2 being passed at the General Meeting;
- ii) the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and becoming unconditional in all respects; and
- iii) Admission of the Placing Shares having become effective on or before 8.00 a.m. on 30 June 2020 (or such later date and/or time as the Company, Panmure Gordon and N+1 Singer may agree, being no later than 14 July 2020).

The Placing and Open Offer Agreement contains customary warranties given by the Company to the Joint Brokers as to matters in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has provided a customary indemnity to the Joint Brokers in respect of liabilities arising out of or in connection with the Placing and Open Offer. The Joint Brokers are entitled to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission including circumstances where any of the warranties are found not to be true or accurate or were misleading in any respect, the failure of the Company to comply in any material respect with any of its obligations under the Placing and Open Offer Agreement, the occurrence of certain force majeure events or a material adverse change affecting the condition, or the earnings or business affairs or prospects of the Group as a whole, whether or not arising in the ordinary course of business.

Application will be made for the Placing Shares to be admitted to trading on AIM subject to the passing of Resolutions 1 and 2 at the General Meeting. It is expected that Admission will become

effective on or around 30 June 2020 and that dealings for normal settlement in the Placing Shares will commence at 8.00 a.m. on or around 30 June 2020.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing. The Placing is not conditional on either the Subscription or the Open Offer.

### **Subscription**

The Subscribers have conditionally agreed to subscribe for 172,731 Subscription Shares in aggregate at the Issue Price. Details of the subscriptions by the PDMRs are as follows:

<b>Name</b>	<b>Number of Existing Ordinary Shares</b>	<b>Number of Subscription Shares</b>	<b>Total number of Ordinary Shares held following Admission</b>	<b>Percentage of Ordinary Shares on Admission*</b>
Mike Raybould	0	2,631	2,631	0.02%
David Sproston	0	1,315	1,315	0.01%
Phil Atherton	16,499	1,315	17,814	0.13%
Mick Knapper	2,511	1,315	3,826	0.03%
Dick Steele	27,000	3,000	30,000	0.21%
Angela Luger	0	3,947	3,947	0.03%
Robert Findler	0	1,315	1,315	0.01%

\* Assuming full take up of the Open Offer.

The Subscription Shares will, when issued, be credited as fully paid and will rank *pari passu* with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of Ordinary Shares after Admission. Completion of the Subscription is conditional upon receipt of the subscription monies by the Company; the Placing Agreement becoming unconditional in all respects (save in relation to any condition relating to the Subscription Letters becoming unconditional) and Admission.

Under the terms of the relevant Subscription Agreements the Executive Directors, Mike Raybould and David Sproston, have agreed that they will not, during the period of six months from the date of Admission, dispose of any interest in Ordinary Shares they own or any rights to such shares. The lock-in arrangements are subject to certain customary exceptions.

### **Open Offer**

Subject to the fulfilment of the conditions set out below, Qualifying Shareholders may subscribe for Open Offer Shares at the Issue Price in proportion to their holding of Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full Basic Entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional, *inter alia*, on the following:

- i) Resolutions 1 and 2 being passed at the General Meeting;
- ii) the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and having become unconditional in all respects; and
- iii) Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 30 June 2020 (or such later date and/or time as the Company, Panmure Gordon and N+1 Singer may agree, being no later than 14 July 2020).

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the Applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

### **Basic Entitlement**

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

#### **2 Open Offer Shares for every 41 Existing Ordinary Shares held at the Record Date**

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

### **Excess Entitlement**

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission of the Open Offer Shares. The Open Offer is not underwritten.

Qualifying Shareholders should note that the Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.

### **Settlement and dealings**

Application will be made to the London Stock Exchange for Admission of the Open Offer Shares. It is expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on or around 30 June 2020 (being the Business Day following the General Meeting).

### **Overseas Shareholders**

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders with registered addresses in, or who are resident or located in the United States or any other Open Offer Restricted Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares

outside the UK, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Part 4 of this document together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, contains the terms and conditions of the Open Offer. If a Qualifying Shareholder does not wish to apply for Open Offer Shares he or she should not complete or return the Application Form or send a USE message through CREST.

#### ***Qualifying non-CREST Shareholders***

If you are a Qualifying non-CREST Shareholder you will receive an Application Form, which accompanies this document and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 1 of Part 4 of this document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 26 June 2020.

#### ***Qualifying CREST Shareholders***

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be credited to stock accounts in CREST on 12 June 2020. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 2 of Part 4 of this document. The relevant CREST instruction must have settled by no later than 11 a.m. on 26 June 2020.

#### **4. General Meeting**

The issue of the New Ordinary Shares is conditional upon, *inter alia*, the approval by the Shareholders of Resolutions 1 and 2 to be proposed at the General Meeting of the Company. A notice convening the General Meeting to be held at Portmeirion Group PLC's registered office at London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ at 12.00 noon on 29 June 2020 is set out at the end of this document.

**In light of the UK Government's measures introduced in response to the COVID-19 outbreak, including to avoid public gatherings and all non-essential travel and social contact, Shareholders should not seek to attend the meeting in person. Unless the restrictions imposed by the UK Government are eased significantly by the time of the meeting, entry to the meeting will be refused to anyone who does try to attend, to ensure compliance with the law. Instead, the Company strongly encourages all Shareholders to exercise their right to vote at the meeting by submitting their Form of Proxy, appointing the Chairman of the meeting as proxy.**

A summary and explanation of the Resolutions which will be proposed at the General Meeting to enable the issue of the New Ordinary Shares is set out below.

#### ***Resolution 1 – Authority to allot the New Ordinary Shares***

Resolution 1 is an ordinary resolution to authorise the Directors under section 551 of the Act to issue and allot Ordinary Shares. The Act requires that the authority of Directors to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or convert any security into shares (the “**relevant securities**”) should be subject to the approval of

Shareholders in a general meeting or to an authority set out in the Company's articles of association. Accordingly, Resolution 1 will be proposed to authorise the Directors to allot relevant securities in respect of the issue of the New Ordinary Shares. This authority is in addition to all existing authorities under section 551 of the Act and will expire on the date falling three months from the date of the passing of such resolution (unless renewed, varied or revoked prior to or on that date).

### ***Resolution 2 – Disapplication of statutory pre-emption rights in relation to the New Ordinary Shares***

Resolution 2 is a special resolution to disapply the statutory pre-emption rights under section 571 of the Act in respect of equity securities (as defined in section 560 of the Act). The Act requires that any equity securities issued wholly for cash must be offered to existing Shareholders in proportion to their existing shareholdings unless otherwise approved by Shareholders in a general meeting or accepted under the Company's articles of association. A special resolution will be proposed at the General Meeting to give the Directors authority to allot equity securities for cash other than on a *pro rata* basis pursuant to the issue of the New Ordinary Shares. This authority is in addition to all existing authorities under section 570 of the Act and will expire on the date falling three months from the date of the passing of such resolution.

If Resolutions 1 and 2 are not passed then the Company will be unable to issue the New Ordinary Shares and receive the proceeds from the Fundraising.

### ***Resolution 3 – Authority to allot shares***

Resolution 3 is conditional upon the passing of Resolutions 1 and 2 and Admission of the New Ordinary Shares and is an ordinary resolution to authorise the Directors to allot shares in the Company up to an aggregate nominal amount of £236,867 representing approximately one-third of the Company's Enlarged Share Capital (assuming the New Ordinary Shares are issued in full and there are no further exercises of options under the Option Schemes prior to Admission of the New Ordinary Shares).

### ***Resolution 4 – Disapplication of statutory pre-emption rights***

Resolution 4 is conditional on the passing of Resolutions 1, 2 and 3 and Admission of the New Ordinary Shares and is a special resolution to allot equity shares (as defined in the Act) for cash otherwise than to existing shareholders *pro rata* to their holdings. This authority is limited to the allotment of (a) equity securities in connection with a rights issue or other pre-emptive offer; and (b) equity securities up to an aggregate nominal amount of £35,530 representing approximately five per cent. of the Company's Enlarged Share Capital (assuming the New Ordinary Shares are issued in full and there are no further exercises of options under the Option Schemes prior to Admission of the New Ordinary Shares).

The authorities to be granted pursuant to Resolutions 3 and 4 shall expire on the earlier of the date falling 15 months from the date of the passing of such resolution and the next annual general meeting of the Company (unless renewed, varied or revoked by the Company prior to or on that date) and are in substitution for the existing authorities granted at the 2020 AGM. The Directors have no present intention to use the authorities to be conferred by Resolutions 3 and 4 but consider that it is prudent and desirable that the Company be granted these authorities.

## **5. Action to be taken**

### ***In respect of the General Meeting***

**In light of the UK Government's measures introduced in response to the COVID-19 outbreak, including to avoid public gatherings and all non-essential travel and social contact, Shareholders should not seek to attend the meeting in person. Unless the restrictions imposed by the UK Government are eased significantly by the time of the meeting, entry to the meeting will be refused to anyone who does try to attend, to ensure compliance with the law. Instead, the Company strongly encourages all Shareholders to exercise their right to vote at the meeting by submitting their Form of Proxy, appointing the Chairman of the meeting as proxy.**

Shareholders will find a Form of Proxy enclosed with this document for use at the General Meeting which you are requested to complete and return in accordance with the instructions printed thereon

as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, by not later than 12.00 noon on 27 June 2020. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

***In respect of the Open Offer***

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 1 of Part 4 of this document and on the accompanying Application Form and return it with the appropriate payment by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive no later than 11.00 a.m. on 26 June 2020.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 2 of Part 4 of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 2 of Part 4 of this document by no later than 11 a.m. on 26 June 2020.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

**6. Recommendation**

**The Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as those Directors who hold Ordinary Shares intend to do in respect of their own beneficial holdings amounting, in aggregate, to 145,571 Ordinary Shares and representing approximately 1.34 per cent. of the Existing Ordinary Shares.**

**If Resolutions 1 and 2 are not passed then the Company will be unable to issue the New Ordinary Shares and receive the proceeds from the Fundraising.**

Yours faithfully,



**Dick Steele**  
Non-Executive Chairman

## Part 2

### RISK FACTORS

Shareholders should be aware that an investment in the Company is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.

The following risk factors are all those known by the Directors which are considered to be material in their opinion. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business, financial condition and results of operations.

An investment in the Company may not be suitable for all recipients of this document. Qualifying Shareholders are advised to consult an independent financial adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

It should be noted that the Company is relying on an exemption from issuing a prospectus in section 86 and paragraph 9 of Schedule 11A of the FSMA (as amended) resulting in this document not being considered to be a prospectus. Consequently, this document does not include all information that an investor would receive if it were a prospectus.

References to the Company are also deemed to include, where appropriate, each member of the Group.

#### General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

#### Risks relating to the Business and Operation of the Group

##### The Group operates in highly competitive markets

The retail market in which the Group competes is highly competitive and the Group competes with a wide variety of retailers across a broad range of price points in numerous countries worldwide. Competition in the Group's products is generally based on product range, style, quality, brand name recognition, price and affordability, delivery methods (including fast and reliable fulfilment) as well as convenience of store location and functionality and reliability of the online offering.

Competition may affect the Group's ability to pursue acquisition and/or investment opportunities, commercial opportunities, including with suppliers or distributors in any of its global markets, as well as the ability of the Group to hire and/or retain key individuals. In order to successfully compete in the markets in which the Group operates, the Group must continue to innovate and develop or acquire new products and brands and there is no guarantee that the Group will be able to continue to do this successfully. Any failure by the Group to compete effectively in its market or address the threat from new competitors or acceleration in competition could result in a reduction in its market

share, which could adversely affect the Group's business, results of operations or financial conditions.

### **The economic climate remains uncertain and has the potential to adversely impact the Group's performance**

In addition to the highly competitive markets in which the Group trades, political and economic uncertainty has the potential to adversely impact the Company's trading and financial performance. COVID-19, including the closure of retail stores worldwide since March 2020, has had a significant impact on the Company's business in all of the markets in which it operates. Whilst at present, the Company is continuing to ship export orders to the Far East where retail stores have now reopened and has been able to meet customer demand through its online presence, the extent of the impact on the Group's revenue and profit will depend on, amongst other things, the level of footfall in UK and US stores and could, as a result, have an adverse effect on the Group's business, results of operations or financial conditions.

### **Dependence on key suppliers could expose the Group to inflationary pricing pressures or prevent production**

The Group sources certain of its raw materials and products from key third party suppliers. There can be no assurance that such supply arrangements will continue (as a consequence of COVID-19 or otherwise) or that the Group will not experience operational difficulties with such suppliers. To the extent that any of the Group's key suppliers fail to satisfy their delivery obligations, particularly during a peak delivery period, this could adversely affect the Group's business, impact the Group's ability to meet customer orders and cause reputational damage.

Overreliance by the Group on its key suppliers or markets could, as a result, expose the Group to inflationary pricing pressures if such suppliers increase their pricing of supplies as a result of factors outside of the Group's control and the Group is unable to source suitable alternatives at more competitive prices. Such risks have the potential to adversely affect the Group's business, financial condition and results of operations.

### **Prior operating results as an indication of future results**

The Company's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Company's results prior to COVID-19 as an indication of future performance. Factors that may affect the Company's operating results include, but are not limited to, the factors referred to in these Risk Factors, as well as, market conditions in the industry, the industries of customers and the global economy as a whole, increased competition in its key markets, foreign currency exchange fluctuations and the denominations in which the Group may conduct business and hold cash reserves, adoption or modification of regulations, policies or procedures applicable to the Group's business or changes to the Group's strategic growth plan. It is possible that, in the future, the Company's operating results will fall below the expectations of analysts or investors. If this occurs, the trading price of the Company's shares may decline significantly.

### **The UK's withdrawal from the European Union could disrupt the Group's business**

On 31 January 2020, the UK ceased to be a member of the European Union ("EU") (commonly referred to as 'Brexit'). An agreement (the "**Withdrawal Agreement**") has been subsequently reached between the UK Government and the Governments of the other EU Member States determining the manner of the UK's departure from the EU. The Withdrawal Agreement provides for a transition period lasting until 31 December 2020 during which EU law will continue to apply to the UK as if it were a member state.

Whilst the medium to long-term consequences of the UK's decision to leave the EU remain uncertain, there could be short-term volatility which could have a negative impact on general economic conditions in the UK and business and consumer confidence, which may in turn have a negative impact elsewhere in the EU and more widely. The longer-term consequences will depend on any agreements arising out of the negotiations of the terms of the UK's future relationship with the EU.



The long-term implications of Brexit for the Company continue to be unknown although it is anticipated by the Company that it is inevitable that some disruption is likely which may have an adverse impact on the Group's business, results of operations or financial conditions. Brexit could also create significant UK (and potentially global) stock market uncertainty, which may have an adverse effect on the net asset value and the price of the Ordinary Shares.

**Lower than expected sales in peak trading periods could negatively impact the Group's cash flow and operating profit**

The Group's revenue is subject to peak trading and sales periods, with a significant portion of its sales being generated during such periods. Historically, the Group's most important sales periods (in terms of sales, operating profit and cash flow) have been in H2, being the July to December trading period. If trading during the Group's peak period is significantly lower than expected, especially during the current financial year given the significant trading pressures already facing retail businesses as a result of COVID-19, it could have a significant negative impact on the Group's cash flow and operating profit, which would have a material adverse effect on the Group's business, financial condition and results of operations.

**Incorrect assumptions on inventory provisions or outstanding trade receivables could negatively impact the Group's revenue**

Appropriate provisioning in respect of inventory is a key issue for the Group and involves a degree of judgement. There is therefore a risk that the inventory provision is materially misstated and that stock is not being held at the lower of cost and net realisable value. The audit of the report and accounts for the year ended 31 December 2019 concluded that the level of inventory provisions was appropriate.

The Group is also exposed to lack of recoverability on outstanding trade receivables' balance. The audit of the report and accounts for the year ended 31 December 2019 concluded that the expected credit loss provided is appropriate.

**Breach of borrowing facility covenants could result in the requirement for immediate repayment of any outstanding debt and claim against secured assets.**

The Group has a number of borrowing facilities as disclosed in its annual report and accounts for the year ended 31 December 2019. These facilities are secured against certain assets of the Group and are subject to a number of financial covenants. A deterioration in the Group's results of operations or financial conditions may lead to the Group breaching these financial covenant tests within its debt facility agreements and there can be no certainty that the Group would be able to obtain waivers and/or refinance their facilities on commercially acceptable terms, or at all. This may lead to the lender demanding immediate repayment of any outstanding debt (together with any associated costs) and enforcing its security over such secured assets, which could, as a result, have a material adverse effect on the Group's business, financial condition and results of operations.

**Failure to renew the Group's borrowing facilities as they fall due could result in an adverse impact on the Group's financial condition.**

The Group currently has agreed debt facilities totalling £28 million including a £5 million overdraft facility which is on an annual renewal cycle. A failure to renew one or more of the Group's borrowing facilities could have a material adverse impact on the Group's business, financial condition and results of operations.

**Substantial harm to the Group's reputation, or the reputation of, or value associated with the Group's brands could damage the Group's earnings and customer goodwill**

The Group consists of six unique and established homeware and fragrance brands which have a combined history of over 700 years – Portmeirion, Spode, Wax Lyrical, Nambé, Royal Worcester and Pimpernel. The Group's value lies within its brands and the patterns which underpin them. Maintaining the reputation of, and value associated with, the Group's brands and product offering is essential to the Group's success. For example, the Group became aware last year that there were significant levels of Portmeirion Botanic Garden products being re-shipped from other markets into South Korea which could have, as a result, potentially damaged, amongst other things, the

Portmeirion brand. Whilst the Group has undertaken a considerable amount of work to stabilise this market, the Group's ability to maintain the reputation of its brands with respect to quality, value and design of its products and high level of customer service are important factors in earning and maintaining customer goodwill. Any damage to the Group's brands and reputation could adversely affect its business, financial condition and results of operations.

There is a possibility that certain assets held on the Group's balance sheet may be impaired, including goodwill and other intangible assets. This will be particularly relevant to the assets recognised following the acquisition of Wax Lyrical Limited in 2016 and Nambé LLC in 2019. Management's analysis for the report and accounts for the year ended 31 December 2019 did not identify any investment where the carrying value needed impairment. The auditor's report on those accounts concluded that management's assessment appeared reasonable.

### **Dependence on key executives and personnel is critical to the Group delivering its long-term strategy**

The Group's business and future success is highly dependent upon highly skilled people at all levels of the organisation who have significant experience of the gift and homeware industries and retail sector. Delivering the Group's strategic objectives depends largely on the continued service of the Group's senior management team and the recruitment and retention of key employees, who are all critical to Group's long-term strategy. If members of the Group's senior management team depart, the Group may be unable to find suitable and effective replacements in a timely manner, or at all, and its business may be disrupted or damaged.

The loss of any member of the senior management team or the inability to attract and/or retain key managers or other skilled personnel could adversely impact the Group's sales performance, increase its wage costs, and adversely affect its business, financial condition and results of operations.

### **Unsuccessful integration of acquisitions could damage the Group's earnings and market perception**

There can be no certainty that the Group will be able to successfully integrate the Nambé acquisition or achieve its anticipated sales and cost synergies. This could adversely impact the Group's sales performance, increase costs, and adversely affect its business, financial condition and results of operations. This may also damage the Group's perception in the market and mean the market is not willing to support future acquisitions.

### **Economic, political, judicial, administrative, taxation, environmental or other regulatory matters**

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on the Group's operations and business results. In addition to the impact of a downturn in the world's economies caused by the COVID-19 pandemic, the Group may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters which result in additional cost to the Group.

### **Securing and protecting the Group's intellectual property rights is central to protecting the value of the Group's brands**

The Group's intellectual property is central to the value of the Group's brands, patterns and designs and the Group licenses certain of its intellectual property rights in exchange for a royalty fee. Third parties may, in the future, infringe or misappropriate the Group's intellectual property rights by, for example, asserting rights in, or ownership of, the intellectual property rights.

Policing unauthorised use of the Group's intellectual property rights is difficult and expensive. There can be no assurance that the steps the Group takes will prevent misappropriation of, or prevent an unauthorised third party from obtaining or using, the technologies the Group relies on. In addition, effective protection may be unavailable or limited in some jurisdictions. Any misappropriation of the Group's proprietary technology and intellectual property could have a negative impact on the Group's business and its operating results. Litigation may be necessary in the future to enforce or protect the Group's rights or to determine the validity or scope of the proprietary rights of others.

Litigation could cause the Group to incur substantial costs and divert resources and management attention away from its daily business and there can be no guarantees as to the outcome of any such litigation. This type of risk could adversely affect the Group's business, financial condition and results of operations.

### **Disruption in the Group's information technology systems and/or website could damage the Group's business and reputation**

The Group utilises information technology systems in the operation of business for, among other things, its hardware, network, and website. The Group also uses its information technology systems to store confidential, proprietary and sensitive data, including intellectual property, proprietary business information and the personal data of its customers and employees. Part of the Group's strategy has involved investing in its online systems, websites and digital assets as a result of the shift in consumer purchasing habits from traditional "bricks and mortar" store sales to online which has increased the Group's dependency on information technology. The Group's ability to protect these processes and systems against unexpected adverse events is a key factor in the Group being able to continue to offer consumers its full complement of products on time and in an uninterrupted manner.

The Group's operations are vulnerable to interruption from a variety of sources, many of which may be beyond the Group's control, such as system failures, computer viruses, software errors, cyber-attacks on the Group's network or damage to business intelligence tools, software and systems carried out by hackers or internet criminals and the performance of third party vendors. Any such issues could affect the security or availability of the Group's information technology systems, including its websites, and prevent or inhibit the ability of customers to access the Group's online systems. In the current climate, customers are becoming increasingly reliant on the Group's website to purchase products and problems with reliability, availability or security of its website could damage the Group's business, cause reputational damage, result in loss of customers and result in additional costs, any of which could adversely affect the Group's business, financial condition and results of operations.

### **Data security and protecting customers' confidential information is essential in the Group's operations**

The Group stores the personal data of its customers and employees and must comply with the restrictions on the use of such data and ensure that it is transmitted in a secure manner over public networks. The European Union's General Data Protection Regulation ("GDPR") came into force on 25 May 2018, and has created a range of new compliance obligations, increased financial penalties for non-compliance and extended the scope of the European Union's data protection laws. Despite controls to ensure the confidentiality and integrity of personal data, the Group may breach restrictions or may be subject to cyberattack carried out by hackers or internet criminals who misappropriate confidential information. Any breach by the Group of the GDPR in the conduct of its business could result in litigation or lead to substantial fines and cause severe reputational damage and, as a result, could adversely affect the Group's business, financial condition and results of operations.

### **The emergence and growth of online, mobile and other non-traditional retail channels in the Group's markets**

The retail landscape is changing and, especially in light of the current COVID-19 pandemic, consumer purchasing habits have moved towards online and mobile channels which have affected, and are expected to continue to affect, sales as customers opt to purchase products online rather than in-store. Customers are becoming heavily reliant on the internet which allows customers to compare the price of the Group's products against those of its competitors, including whilst they are in-store. Customers are more easily able to compare price points of products and choose to purchase from the Group's competitors instead on that basis.

The Group continues to leverage its homeware brands and grow its sales across online channels, increasing investment in its systems, website and digital assets; however, if the Group is unable to compete with its key competitors, including both multi-channel retailers and internet-only businesses, in terms of shopping experience, quality and price point, its sales could decline. Furthermore, the

Group may be unable to respond quickly or effectively enough to the move to online sales which could adversely affect its business, financial condition and results of operations.

### **Management of the Group's growth strategy**

There can be no certainty that the Group will be able to implement successfully its stated strategy. The ability of the Group to implement its strategy in rapidly evolving and competitive markets will require effective management planning and operational controls. Growth is dependent on the Group's ability to continually innovate and expand the Group's product ranges in a variety of internal markets as well as focused M&A. There is no guarantee that this innovation will lead to an increase in the Group's revenue or profit. Additionally the Group's growth plans may place a significant strain on the Group's management, operational, financial and personnel resources. The Group's future growth and prospects will depend on its ability to manage this growth and to continue to expand and improve operational and financial performance, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and quality control systems in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operation.

### **Deficit relating to the Group's closed defined benefit pension scheme**

The Group operates a defined benefit pension scheme, which was closed in 1999. Many companies carry defined benefit pension scheme deficits. Market movements continue to give rise to volatility in the reporting of defined benefit pension scheme liabilities. Management are required to select appropriate key assumptions for use in the estimation of the defined benefit liability. There is a risk that these assumptions materially misstate the year end liability. The audit for the report and accounts for the year ended 31 December 2019 concluded that the assumptions used by management were conservative.

### **Material loss may arise in excess of any insurance proceeds or from uninsured events**

The Group's properties could suffer physical damage resulting in losses which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not able to be insured at a reasonable cost. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, might also result in insurance proceeds being insufficient to repair or replace a property. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose its capital invested in the affected property as well as anticipated future revenue from that property. Material uninsured losses could have a material adverse effect on the Group's results of operations, financial condition and business prospects.

## **RISKS RELATING TO THE ORDINARY SHARES**

### **The market price of the Ordinary Shares may fluctuate significantly**

The Issue Price may not be indicative of the market price for the New Ordinary Shares following Admission. The market price of the New Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, be volatile and subject to fluctuations. Fluctuations may occur as a result of a variety of factors outside of the Company's control including, but not limited to, the factors referred to in these Risk Factors, as well as: (i) changes in analyst recommendations or the failure of the Group to meet the expectations of analysts, (ii) fluctuations in stock market prices and volumes, and general market volatility akin to the share prices of AIM companies, (iii) period to period variations in the Group's operating results or changes in revenue or profit estimates, (iv) regulatory changes and (v) changes in market conditions, including broader market volatility and movements. Such fluctuations may prevent Shareholders from being able to sell their Ordinary Shares at or above the price they paid for them.

### **Market perception**

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

### **Future issues of Ordinary Shares will result in immediate dilution**

The Group may seek to raise financing to fund future acquisitions and other growth opportunities. The Group may, for these and other purposes, issue additional equity or convertible equity securities which may dilute Shareholders' proportionate ownership in the Company. Any such issues may dis-apply the pre-emption rights pertaining to the Ordinary Shares. Additionally, the further issue of Ordinary Shares could have a negative impact on and/or increase the volatility of the market price of the Ordinary Shares.

### **Risks relating to Open Offer entitlements**

For those Qualifying Shareholders who do not participate in the Open Offer, their proportionate ownership and voting interest in the Company will be reduced as a result of the Placing, Subscription and Open Offer. In particular, to the extent that Qualifying Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission, be reduced accordingly. Qualifying Shareholders in the United States and other Open Offer Restricted Jurisdictions will not be able to participate in the Open Offer. Qualifying Shareholders should note that their holdings and voting interest in the Company will be reduced, whether or not they elect to participate in the Open Offer, as a result of the Placing and Subscription.

### **Future sale of Ordinary Shares**

The Company is currently traded on AIM which is perceived to involve a higher degree of risk and to be less liquid than the UK's Official List. Shareholders do not have a right for their Ordinary Shares to be redeemed and the Company does not have a fixed winding-up date. Those Shareholders wishing to realise their investment will be required to dispose of their Ordinary Shares on the stock market or vote to wind up the Company. Admission should not be taken as implying that there will be a liquid market for the New Ordinary Shares. There is no guarantee that an active market will arise or be sustained for the Ordinary Shares. If an active trading market is not maintained, the liquidity and trading price of the Ordinary Shares could be adversely affected. Even if an active trading market is maintained, the market price for the Ordinary Shares may fall below their original issue price and Shareholders may not realise their initial investment.

### **Dividends**

As a result of the ongoing COVID-19 outbreak and the need to retain cash in the business, the Company has not recommended a final dividend for the financial year ended 31 December 2019. There can be no assurance as to the level of future dividends (if any) but the Company remains committed to maintaining a sustainable and appropriate level of dividend payments over the long-term. Under English law, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. The declaration, payment and amount of any future dividends of the Group are subject to the discretion of the Directors and, in the case of final dividends, the Shareholders and will depend upon, among other things, the Group's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws and generally accepted accounting principles and practice from time to time. Any of the foregoing could limit the payment of dividends to Shareholders or, if the Company does pay dividends, the amount of such dividends.

## Part 3

### QUESTIONS AND ANSWERS ON THE PLACING AND OPEN OFFER

*The questions and answers set out in this Part 3 are intended to be in general terms only and, as such, you should read Part 4 of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.*

*This Part 3 deals with general questions relating to the Placing and the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are a Shareholder with a registered address, or are a citizen or resident of, or incorporated in an Open Offer Restricted Jurisdiction, you should read paragraph 3 of Part 4 of this document. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 4 of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.*

**The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.**

#### **1. What is a placing and an open offer?**

A placing and an open offer are ways for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and/or providing for specifically identified investors also to acquire a certain number of shares at a fixed price (a placing). The fixed price is normally at a discount to the market price of the existing ordinary shares on the Business Day prior to the announcement of the placing and/or the open offer.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 530,590 Open Offer Shares at a price of 380 pence per Ordinary Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Open Offer Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

**The Open Offer is being made on the basis of 2 Open Offer Shares for every 41 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. Qualifying Shareholders with fewer than 41 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares under the Basic Entitlement, but can apply under the Excess Application Facility.**

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Basic Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer**

may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

**2. Am I eligible to participate in the Placing?**

Unless you are a Placee, you will not be eligible to participate in the Placing.

**3. I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to apply to acquire Open Offer Shares under the Open Offer?**

If you have received an Application Form and, subject to certain exceptions, are not a holder with a registered address in, and are not resident or located in, the United States or another Open Offer Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares on or before 8.00 a.m. on 11 June 2020 (the Ex-entitlement Date for the Open Offer).

**4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in and are not resident or located in the United States or another Open Offer Restricted Jurisdiction, you should have been sent an Application Form with this document.

That Application Form shows:

- how many Existing Ordinary Shares you held at close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for your Basic Entitlement to the Open Offer Shares.

If you have a registered address or are resident or located in the United States or another Open Offer Restricted Jurisdiction, subject to certain exceptions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four Business Days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

**5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?**

**i) If you want to take up all of your Basic Entitlement?**

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form, together with your cheque or banker's draft for the amount (as indicated in Box 5 of your Application Form), payable to 'Link Market Services Limited re: Portmeirion Group PLC Open Offer A/C' in the reply paid envelope provided, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive by no later than 11.00 a.m. on 26 June 2020. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part 4 of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 7 July 2020.

ii) ***If you want to take up some but not all of your Basic Entitlement?***

If you want to take up some but not all of your Basic Entitlement, you should write the number of Open Offer Shares you want to take up in Box 2 of your Application Form; for example, if you are entitled to take up 2,000 shares but you only want to take up 1,000 shares, then you should write '1,000' in Box 2.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '1,000') by £3.80, which is the price of each Open Offer Share (giving you an amount of £3,800 in this example). You should write this amount in Box 5, and this should be the amount your cheque or banker's draft is made out for. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to 'Link Market Services Limited re: Portmeirion Group PLC Open Offer A/C' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive by no later than 11.00 a.m. on 26 June 2020, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part 4 of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 7 July 2020.

iii) ***If you want to apply for more than your Basic Entitlement?***

Provided that you have agreed to take up your Basic Entitlement in full, you can apply for Excess Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 2 which must be the number of Open Offer Shares shown in Box 7. You should then write the number of Excess Shares you wish to apply for under the Excess Application Facility in Box 3 and then complete Box 4 by adding together the numbers you have entered in Boxes 2 and 3.

To work out how much you need to pay for the Open Offer Shares you are applying for, you need to multiply the number of Open Offer Shares shown in Box 4 by the Issue Price, which is the price of each Open Offer Share. You should write this amount in Box 5, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount payable to 'Link Market Services Limited re: Portmeirion Group PLC Open Offer A/C' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, to arrive by no later than 11.00 a.m. on 26 June 2020, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope.

You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part 4 of this document and in the Application Form. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than 7 July 2020.



iv) ***If you do not want to take up your Open Offer Entitlement***

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you are not a Placee and you do not take up any of your Open Offer Entitlement, then following the Fundraising, your interest in the Company will be diluted, although you should note that even if a Qualifying Shareholder (who is not a Placee) subscribes for his full entitlement to the Open Offer Shares, his proportionate interest in the Company will be diluted by the issue of Placing Shares pursuant to the Placing.

**6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST members should follow the instructions set out in Part 4 of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

**7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 9 June 2020 and who have converted them to certificated form; and
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares on or before 9 June 2020 but were not registered as the holders of those shares at the close of business on 9 June 2020.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Link Asset Services on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

**8. If I buy Existing Ordinary Shares on or after the Ex-entitlement Date will I be eligible to participate in the Open Offer?**

If you buy or have bought Existing Ordinary Shares on or after the Ex-entitlement Date you are unlikely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

**9. What if I change my mind?**

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 2 of Part 4 of this document.

**10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?**

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

**11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box 8 of the Application Form?**

If you want to spend more than the amount set out in Box 8 you should divide the amount you want to spend by £3.80 (being the price in pounds sterling of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you should apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £3.80, which comes to 263.16. You should round that down, if necessary, to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 263) in Box 4. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example 263) by £3.80 and then fill in that amount rounded up to the nearest whole pound/pence, if necessary, (in this example being £999.40), in Box 5 and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back at the Company's absolute discretion. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of an Open Offer Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box 8, you should divide the amount you want to spend by £3.80 (being the price, in pound sterling, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £3.80. You should round that down to the nearest whole number, if necessary, (in this example, 263), to give you the number of shares you want to take up. Write that number (in this example, 263) in Box 2. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 263) by £3.80 and then fill in that amount rounded up to the nearest whole pound/pence (in this example being £999.40) in Box 5 and on your cheque or banker's draft accordingly.

**12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before close of business on 9 June 2020, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sold any of your Existing Ordinary Shares on or after the Record Date but before the ex-date on 11 June 2020, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

**13. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply-paid envelope enclosed (from within the United Kingdom). You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares. The

funds should be made payable to 'Link Market Services Limited re: Portmeirion Group PLC Open Offer A/C'. In each case, the cheque should be crossed "A/C Payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

**14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your Open Offer Entitlement, your proportionate ownership and voting interest in the Company will be reduced (in addition to the reduction caused by the Placing).

**15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form and monies by post in the enclosed reply paid envelope (from within the United Kingdom) by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. You should allow at least four Business Days for delivery if using first class post or the reply-paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

**16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 26 June 2020. You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

**17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?**

It is expected that the Registrars will post all Open Offer Share certificates by 7 July 2020.

**18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box 6 on page 1 of the Application Form) is incorrect?**

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before 8.00 a.m. on 11 June 2020 but were not registered as the holder of those shares on the Record Date for the Open Offer (close of business on 9 June 2020), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 8.00 a.m. on 11 June 2020.

**19. Will the Placing and Open Offer affect dividends (if any) on the Existing Ordinary Shares?**

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

**20. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.

**21. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are resident or located in the United States or another Open Offer Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 5 of Part 4 of this document.

**22. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box 13 on page 4 of the Application Form), and ensure they are delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your rights into the CREST system, you should refer to paragraph 2 of Part 4 of this document for details on how to apply and pay for the Open Offer Shares.

**23. Do I need to comply with the Money Laundering Regulations (as set out in paragraph 4 of Part 4 of this document)?**

If you are a Qualifying non-CREST Shareholder, you may not need to follow these procedures if you pay for them by a cheque drawn on an account in your own name and that account is one which is held with an EU or United Kingdom regulated bank or building society. If you are a Qualifying CREST Shareholder, you will not generally need to comply with the Money Laundering Regulations unless you apply to take up all or some of your entitlement to Open Offer Entitlements as agent for one or more persons and you are not an EU or United Kingdom regulated financial institution. Qualifying non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 3 of Part 4 of this document for a fuller description of the requirements of the Money Laundering Regulations.

## Part 4

### TERMS AND CONDITIONS OF THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, also in the Application Form), the Company hereby invites Qualifying Shareholders to subscribe for Open Offer Shares *pro rata* to their existing shareholdings at the Issue Price, payable in full on application and free of all expenses, on the basis of:

#### **2 Open Offer Shares for every 41 Existing Shares**

held by Qualifying Shareholders at the Record Date and so on in proportion for any other number of Existing Shares then held.

Qualifying Shareholders are also being given the opportunity, provided they take up their Basic Entitlements in full, to apply for Excess Entitlements through the Excess Application Facility, further details of which are set out below.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility.

Qualifying Shareholders with fewer than 41 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares under the Basic Entitlement, but can apply under the Excess Application Facility.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.**

#### **Excess Application Facility**

The Excess Application Facility enables Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement as at the Record Date.

However, applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

In any event, applications will be rejected if acceptance would result in the Qualifying Shareholder, together with those acting in concert with him for the purposes of the City Code on Takeovers and Mergers, holding 30 per cent. or more of the Ordinary Shares in issue immediately following Admission.

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlements should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 2 of this Part 4 for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

## Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement. The Application Form shows the number of Existing Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 2(e) of this Part 4.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of Qualifying CREST Shareholders. Qualifying CREST Shareholders who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

### 1. If you have an Application Form in respect of your Open Offer Entitlements

#### (a) General

Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Shares registered in your name at the close of business on the Record Date in Box 6. It also shows the Basic Entitlement allocated to you set out in Box 7. Box 8 shows how much you would need to pay if you want to take up your Basic Entitlement in full. You may apply for less than your entitlement should you wish to do so. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

#### (b) Market claims

Applications may only be made on the Application Form, and may only be made by the Qualifying Shareholder named in it, or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, being 11 June 2020 (an "Applicant").

Application Forms may be split up to 3.00 p.m. on 24 June 2020.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Shares prior to 11 June 2020, being the date upon which the Existing Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into an Open Offer Restricted Jurisdiction or to US persons.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2 below.

**(c) Application procedures**

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (whether in respect of all or part of your Basic Entitlement or under the Excess Application Facility), you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive no later than 11.00 a.m. on 26 June 2020. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer.

Please note that Link cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up some or all of your Open Offer Entitlements. If any Application Form is sent by first-class post within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least four Business Days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances after that date. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 26 June 2020 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

**(d) Payments**

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Link Market Services Limited re: Portmeirion Group PLC Open Offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Eurocheques, unless drawn on a bank in the United Kingdom, the Channel Islands or the Isle of Man, will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 30 June 2020 or such later time and date as the Company shall agree, (being no later than 4.30 p.m. on 14 July 2020), the Open Offer will lapse and application monies will be returned by post to Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

**(e) Incorrect sums**

If an Application Form encloses a payment for an incorrect sum, the Company through Link Asset Services reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Link Asset Services in respect of Open Offer Shares will be held in a separate client account.

**(f) The Excess Application Facility**

Provided that the Applicant chooses to take up their Basic Entitlement in full, the Excess Application Facility enables him to apply for Excess Shares. Applicants who wish to do so should complete Box 3 of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications will be met in full or in part or at all. Each Applicant who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Applicant multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the Applicant's sole risk.

If you have any queries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements please contact Link Asset Services on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

**(g) Effect of an application**

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (i) represent and warrant to the Company, Panmure Gordon and N+1 Singer that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agree with the Company, Panmure Gordon and N+1 Singer that all applications, and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;



- (iii) confirm to the Company, Panmure Gordon and N+1 Singer that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;
- (iv) represent and warrant to the Company, Panmure Gordon and N+1 Singer that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
- (v) represent and warrant to the Company, Panmure Gordon and N+1 Singer that, if you have received some or all of his Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and the Application Form and subject to the articles of association of the Company;
- (vii) represent and warrant to the Company, Panmure Gordon and N+1 Singer that you are not, nor are you applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any other Open Offer Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and you are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of your application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any other Open Offer Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that you are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represent and warrant to the Company, Panmure Gordon and N+1 Singer that you (i) are acquiring the Open Offer Shares from the Company in an "offshore transaction" as defined in Regulation S under the US Securities Act; and (ii) the Open Offer Shares have not been offered to you by the Company, Panmure Gordon or N+1 Singer or any of their affiliates (as defined in Rule 501(b) of the US Securities Act) by means of any "directed selling efforts" as defined in Regulation S under the US Securities Act;
- (ix) represent and warrant to the Company, Panmure Gordon and N+1 Singer that you are not, and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (x) confirm that in making the application you are not relying and have not relied on the Company, Panmure Gordon or N+1 Singer any person affiliated with the Company, Panmure Gordon, or N+1 Singer, in connection with any investigation of the accuracy of any information contained in this document or your investment decision.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. If you have any queries in relation to the procedure for application for Qualifying Non-CREST Shareholders under the Open Offer, please contact Link Asset Services on 0371 664 0321. 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.

The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

## **2. If you have Open Offer Entitlements credited to your stock account in CREST**

### **(a) General**

Each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlement equal to the number of Open Offer Shares for which he is entitled to apply under his basic entitlement under the Open Offer, together with a credit of Excess Entitlements equal to ten times their balance of Existing Shares on the Record Date.

Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than their Excess Entitlements they have been credited with then they should contact Link Asset Services on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice. If calling from outside the United Kingdom to request an increased credit, Qualifying CREST Shareholders should leave sufficient time for the additional Excess Entitlement credits to be credited to their account and for an application to be made in respect of those entitlements before the application deadline. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide on 23 June 2020, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

**CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.**

### **(b) Market claims**

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Fundraisings identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

**(c) USE instructions**

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to above.

**(d) Content of USE instructions in respect of Basic Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlements, which is GB00BMXB1Q68;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Link, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link, in its capacity as a CREST receiving agent. This is 20758POR;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 26 June 2020;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 26 June 2020.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 30 June 2020 or such later time and date as the Company shall agree (being no later 4.30 p.m. on 14 July 2020), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the Company’s benefit.

**(e) Deposit of Open Offer Entitlements into, and withdrawal from, CREST**

A Qualifying Non-CREST Shareholder’s entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form

or into the name of a person entitled by virtue of a *bona fide* market claim) provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 26 June 2020.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 23 June 2020, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 22 June 2020, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 26 June 2020.

Delivery of an Application Form with the CREST Deposit Form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member that it is not in breach of the provisions of the notes under the paragraph headed "Instructions for Depositing Entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member that it is not a citizen or resident of an Open Offer Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member is entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

**(f) Excess Application Facility**

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Entitlement in full, to apply for Excess Shares.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess Entitlements may not be sold or otherwise transferred.

The CREST accounts of Qualifying CREST Shareholders will be credited with Excess Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Entitlement nor the Excess Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Basic Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

Excess Open Offer Entitlements will not be subject to Euroclear's market claims process. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account. Please note that an additional USE instruction must be sent in respect of any application under the Excess Entitlement. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion. In this event, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess Entitlement, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

If you have any queries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements please contact Link Asset Services on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

**(g) Content of USE instructions in respect of Excess Entitlements**

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess Entitlements, which is GB00BMXB1R75;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Link, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link, in its capacity as a CREST receiving agent. This is 20758POR;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 26 June 2020;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. 26 June 2020.

**(h) Validity of application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 26 June 2020 will constitute a valid application under the Open Offer.

**(i) CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 26 June 2020. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

**(j) Incorrect or incomplete applications**

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

**(k) Effect of valid application**

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants to the Company, Panmure Gordon and N+1 Singer that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the articles of association of the Company;
- (iv) agrees with the Company, Panmure Gordon and N+1 Singer that all applications and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (v) represents and warrants to the Company, Panmure Gordon and N+1 Singer that he is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Open Offer Restricted Jurisdiction and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of an Open Offer Restricted Jurisdiction except where proof satisfactory to the

Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (vi) represents and warrants to the Company, Panmure Gordon and N+1 Singer that he (i) is acquiring the Open Offer Shares from the Company in an “offshore transaction” as defined in Regulation S under the US Securities Act; and (ii) the Open Offer Shares have not been offered to him by the Company, Panmure Gordon or N+1 Singer or any of their affiliates (as defined in Rule 501(b) of the US Securities Act) by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- (vii) represents and warrants to the Company, Panmure Gordon and N+1 Singer that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (viii) confirms to the Company, Panmure Gordon and N+1 Singer that in making such application he is not relying on any information in relation to the Company other than that contained in this document, and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained herein;
- (ix) represents and warrants to the Company, Panmure Gordon and N+1 Singer that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim; and
- (x) confirms to the Company, Panmure Gordon and N+1 Singer that in making the application he is not relying and has not relied on the Company or Panmure Gordon or N+1 Singer or any person affiliated with the Company, or Panmure Gordon, or N+1 Singer, in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

**(I) Company’s discretion as to rejection and validity of applications**

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 4;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this paragraph (I) (iii) the “**first instruction**”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means

of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

### **3. Money Laundering Regulations**

#### **(a) Holders of Application Forms**

If the value of an application for Open Offer Shares exceeds €15,000 (approximately £13,300 at the prevailing rate of exchange) (or is one of a series of linked applications, the aggregate value of which exceeds that amount), the verification of identity requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Money Laundering Regulations") will apply.

The Receiving Agent is entitled to require, at its absolute discretion, verification of identity from any person lodging an Application Form including, without limitation, any person who appears to the Receiving Agent to be acting on behalf of some other person. Submission of an Application Form will constitute a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion retain an Application Form lodged by an Applicant for Open Offer Shares and/or the cheque, banker's draft or other remittance relating to it and/or not enter the Open Offer Shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of the failure of the Applicant to provide satisfactory evidence. In that case, the application monies (without interest) will be returned to the bank or building society account from which payment was made.

The Receiving Agent shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any Applicant and whether such requirements have been satisfied and neither of the Receiving Agent or the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of such discretion.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above).

- (i) The Applicant should:
  - (b) where payment is made otherwise than by the Applicant's own cheque, write the Applicant's name and address on the back of the building society cheque, banker's draft or other third party cheque and, in the case of an individual, record his/her date of birth against his/her name;
  - (c) if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque or banker's draft the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add its stamp; and
  - (d) enclose with his Application Form evidence of his name and address from an appropriate third party; for example, a recent bill from a gas, electricity or telephone company or a bank statement, in each case bearing the Applicant's name and address (originals of such documents (not copies) are required and will be returned in due course).
- (ii) If an application is delivered by hand, the Applicant should ensure that he has with him evidence of identity bearing his photograph (for example, a valid full passport) and separate evidence of his address.



- (iii) If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. If the application is lodged with payment by an agent which is an organisation required to comply with the EU Money Laundering Directive ((EU)/2015/859), or which is subject to anti- money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Austria, Brazil, Canada, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States), the agent should provide with the application written confirmation and evidence that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent.

In order to confirm the acceptability of any written assurances referred to above, or in any other case, the Applicant should contact Link Asset Services on 0371 664 0321. 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. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

**(b) Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

**4. Taxation**

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

**5. Overseas Shareholders**

SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THERE IS NO OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM TO OBSERVE THIS RESTRICTION.

Subject to certain limited exceptions, Application Forms will not be sent to Overseas Shareholders nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in an Open Offer Restricted Jurisdiction or to US persons.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or an Application Form either will not be sent or will be deemed to have been sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer which could lawfully be made to him or an Application Form which could lawfully be used without contravention of any registration or other legal requirements.

Accordingly, persons receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements to any person in or into any Open Offer Restricted Jurisdiction. If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his agent or nominee, he must not seek to apply for his entitlement to Open Offer Shares under the Open Offer except under an express written agreement between him and the Company. Any person who does forward this document and/or an Application Form or transfer the Open Offer Entitlements into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.

**(a) Representations and warranties relating to Overseas Shareholders**

*Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Panmure Gordon, N+1 Singer and the Registrars that: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Open Offer Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Open Offer Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or another Open Offer Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Open Offer Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 5(a).

*Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part 4 represents and warrants to the Company, Panmure Gordon, N+1 Singer and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any other Open Offer Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a non-discretionary basis for a person located within any Open Offer Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view to offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

**(b) Waiver**

The provisions of this paragraph 5 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, Panmure Gordon and N+1 Singer in their absolute discretion. Subject to this, the provisions of this paragraph 5 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 5 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 5 shall apply to them jointly and to each of them.

**The comments set out in this paragraph are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his eligibility to accept the offer of Open Offer Shares should consult his professional adviser immediately.**

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder, in the case of an application or an Application Form, provides an address for delivery of share certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for his entitlement to Open Offer Shares under the Open Offer if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described above in this Part 4.

**6. Admission, Settlement and Dealings**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 30 June 2020 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 30 June 2020.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 26 June 2020 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 30 June 2020). On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 30 June 2020). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by 7 July 2020. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to Applicants, or as they may direct, will be sent through the post at their own risk. For

more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form.

#### **7. Times and dates**

The Company shall, in agreement with Panmure Gordon and N+1 Singer and after consultation with its legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

#### **8. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non- contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

**NOTICE OF GENERAL MEETING**  
**PORTMEIRION GROUP PLC**  
*(Registered in England and Wales with no. 00124842)*

NOTICE is hereby given that a General Meeting of Portmeirion Group PLC (the “**Company**”) will be held at the Company’s registered office being London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ at 12.00 noon on 29 June 2020 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2 and 4 will be proposed as special resolutions (defined terms having the meanings given to them in the circular to the shareholders of the Company dated 11 June 2020 (the “**Circular**”)):

**ORDINARY RESOLUTION**

1. **THAT** for the purposes of section 551 of the Act the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company, as is contemplated in sub-sections 551(1)(a) and 551(1)(b) respectively of the Act up to an aggregate nominal amount of £166,744.95 pursuant to or in connection with the allotment of up to 3,334,899 new ordinary shares of 5 pence each in the capital of the Company to such persons as may be entitled in connection with the Placing, Subscription and Open Offer (as defined in the Circular). Such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire three months after the passing of this resolution save that the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution. This authority is in addition to all existing authorities under section 551 of the Act.

**SPECIAL RESOLUTION**

2. **THAT**, subject to the passing of Resolution 1, the Directors be and are hereby empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them to allot such shares or grant such rights by that resolution, up to an aggregate nominal value of £166,744.95 as if sub-section (1) of section 561 of the Act did not apply to any such allotment. Such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire three months after the passing of this resolution save that the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares to be allotted or such rights to be granted after the expiry of the said period and the Directors may allot any such shares and grant any such subscription and conversion rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution. This power is in addition to all existing authorities under section 570 of the Act.

**ORDINARY RESOLUTION**

3. **THAT**, subject to and conditional on both resolutions 1 and 2 being passed and on Admission (as defined in the Circular) of any New Ordinary Shares (as defined in the Circular), in substitution for all existing powers (other than those conferred by resolutions 1 and 2) and without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to all existing authorities, the Directors be generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares and/or grant rights to subscribe for, or convert any securities into, shares of the Company up to an aggregate nominal amount of £236,867 being approximately one-third of the Enlarged Share Capital (as defined in the Circular) (assuming the New Ordinary Shares are issued in full and there are no further exercises of options under the Option Schemes (as defined in the Circular) prior to Admission of the New Ordinary Shares) subject to such exclusions or other arrangements as the Directors consider expedient in relation to fractional

entitlements, legal, regulatory or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory, or any other matter provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this resolution (if earlier) except that the Directors may before the expiry of such period make an offer or agreement which would or might require shares to be allotted or rights granted after the expiry of such period and the Directors may allot shares or grant rights in pursuance of that offer or agreement as if this authority had not expired.

#### **SPECIAL RESOLUTION**

4. **THAT**, subject to and conditional on resolutions 1, 2 and 3 being passed and on Admission of any New Ordinary Shares and in substitution for all existing powers (other than those conferred by resolutions 1, 2 and 3) and without prejudice to any allotment of shares or grant of rights already made, offered or agree to be made pursuant to existing authorities, the Directors be empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 3 above as if section 561 of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities as follows:
- i) the allotment of equity securities in connection with any offer by way of rights or an open offer of relevant equity securities where the equity securities respectively attributed to the interests of all holders of relevant equity securities are proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them and subject to such exclusions or other arrangements as the Directors consider expedient in relation to fractional entitlements, legal, regulatory or practical problems under the laws of, or the requirements of any regulatory body or stock exchange in, any territory, or any other matter; and
  - ii) otherwise than pursuant to paragraph 4(i) above, up to an aggregate nominal amount of £35,530 being approximately 5 per cent. of the Enlarged Share Capital (as defined in the Circular) (assuming the New Ordinary Shares are issued in full and there are no further exercises of options under the Option Schemes (as defined in the Circular) prior to Admission of the New Shares),

provided that the powers conferred by of this resolution 4 shall expire (unless previously renewed, varied or revoked by the Company in a general meeting) on a date which is the earlier of 15 months from the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company (the "**Section 570 Period**") but so that the Company may at any time prior to the expiry of the Section 570 Period make an offer or agreement which would or might require equity securities to be allotted pursuant to these authorities after the expiry of the Section 570 Period and the Directors may allot equity securities in pursuance of such offer or agreement as if the authorities hereby conferred had not expired.

11 June 2020

**BY ORDER OF THE BOARD**



**Moira MacDonald**  
*Company Secretary*

Portmeirion Group PLC  
London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ

## **IMPORTANT NOTICE RE COVID-19**

In light of the UK Government's measures introduced in response to the COVID-19 outbreak, including to avoid public gatherings and all non-essential travel and social contact, Shareholders should not seek to attend the meeting in person. Unless the restrictions imposed by the UK Government are eased significantly by the time of the meeting, entry to the meeting will be refused to anyone who does try to attend, to ensure compliance with the law. Instead, the Company strongly encourages all Shareholders to exercise their right to vote at the meeting by submitting their Form of Proxy, appointing the Chairman of the meeting as proxy.

## **Notes of the Notice of General Meeting**

### **Proxies**

1. A member entitled to attend, speak and vote at the above meeting may appoint another person as his or her proxy to exercise all or any of his or her rights to attend, speak and vote on his or her behalf. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company.
2. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post by the Company's Registrars, Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, no later than 48 hours before the time appointed for holding the meeting. If you prefer, you may return the Form of Proxy to the Registrars in the enclosed business reply envelope addressed to Link. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Nominated Persons**

4. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006 (the "Act") (a "Nominated Person") does not have the right to appoint a proxy, although he/she may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, he/she may, under an agreement with the relevant shareholder, have a right to give instructions to the shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the shareholder who appointed them for further information on this and the procedure for appointing any such proxy.

### **Record Date**

5. Only the holders of ordinary shares entered on the register of members of the Company as at close of business on 25 June 2020 (or, in the event of any adjournment, close of business on the date which is two Business Days before the date of the adjourned meeting) shall be entitled to attend either in person or by proxy, and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### **Total Voting Rights**

6. As at 10 June 2020 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consisted of 11,107,483 ordinary shares of 5 pence each, carrying one vote each and the Company holds 230,382 shares in treasury. Therefore the total voting rights in the Company as at 10 June 2020 are 10,877,101.

### **CREST Proxy Instructions**

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's ("**Euroclear**") specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent Link Asset Services (ID RA10) by 12.00 noon on 27 June 2020. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001 (as amended).

### **Questions**

11. The Company encourages Shareholders to email our Company Secretary at [shareholderenquiries@portmeiriongroup.com](mailto:shareholderenquiries@portmeiriongroup.com) with any questions you have on the business of the meeting in advance of the meeting. The Company will answer questions raised by any Shareholder as soon as reasonably practicable.

### **Information available on the Website**

12. A copy of this notice and the information required to be published by section 311(A) of the Act can be found at <https://www.portmeiriongroup.com/investors>. Shareholders may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.



