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(incorporated in Gibraltar and registered with number 105853)

Proposed Placing to raise a minimum of £1,500,000, sale of a majority shareholding in Respin, CLN Conversion, amendment of the Series A CLN, Debt Conversion and amendment of the Facility Agreements

and

Notice of Annual General Meeting

Stockdale Securities Limited (“**Stockdale**”), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Stockdale will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stockdale or for advising any other person on the arrangements described in this document. Stockdale has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Stockdale for the accuracy of any information or opinion contained in this document or for the omission of any information.

The Ordinary Shares, partly represented by Depositary Interests, are currently admitted to trading on AIM.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and to the recommendation by the Independent Directors to Shareholders to vote in favour of the resolutions to be proposed at the AGM to be held on 7 February 2019.

To be valid, the enclosed Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to reach the Company’s Registrars, Link Asset Services, by no later than 11.00 a.m. on 5 February 2019. The Form of Proxy can be delivered by post or by hand to Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Alternatively, Shareholders could return the Form of Proxy using the Freepost service to FREEPOST SAS (please note that delivery using this service can take up to 5 days).

Completion and return of a signed Form of Proxy will not preclude Shareholders from attending and voting at the AGM should they choose to do so. Further instructions relating to the Form of Proxy are set out in the Notice of AGM and on the Form of Proxy.

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Jim Wilkinson (<i>Non-executive Chairman</i>) Lucy Buckley (<i>Chief Executive</i>) Gary Shaw (<i>Executive Director</i>) Sandeep Reddy (<i>Non-executive Director</i>)
Company Secretary	Trilex Secretaries Limited Suite 1, Burn's House 19 Town Range Gibraltar
Registered Office	Suite 1, Burn's House 19 Town Range Gibraltar
Nominated Adviser and Broker to the Company	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
UK Legal Advisers to the Company	K&L Gates LLP One New Change London EC4M 9AF
Gibraltar Legal Advisers to the Company	Isolas Gibraltar Portland House Glacis Road PO Box 204 Gibraltar
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2019</i>
Posting of this document	11 January
Latest time and date for receipt of completed Forms of Proxy	11.00 a.m. on 5 February
AGM	11.00 a.m. on 7 February
Admission of New Ordinary Shares to trading on AIM	8.00 a.m. on 8 February
Despatch of share certificates in respect of the New Ordinary Shares (if applicable)	no later than 15 February

All references are to London time unless stated otherwise.

If any of the details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

ISSUE STATISTICS

Number of Existing Ordinary Shares	47,565,873
Value of Series A CLNs in issue prior to the Placing	£8,125,000
Value of Series B CLNs in issue prior to the Placing	£1,100,000
Number of New Ordinary Shares to be issued resulting from the CLN Conversion at the Placing Price	36,225,894
Number of New Ordinary Shares to be issued pursuant to the Placing	10,000,000
Number of New Ordinary Shares to be issued to Gary Shaw at the Offer Price pursuant to the Debt Conversion	5,321,680
Number of New Ordinary Shares in issue following the Placing, the Debt Conversion and the CLN Conversion at the Placing Price	99,113,445
Number of Ordinary Shares resulting from conversion of the remaining Series A CLNs at the Conversion Price	13,909,075
Number of Ordinary Shares resulting from conversion of the Series B CLNs at the Conversion Price	5,866,667
Number of Ordinary Shares resulting from conversion of the remaining Series A CLNs and the Series B CLNs at the Conversion Price	19,775,742
Number of Debt Warrants at 27.5p	10,639,600
Number of Anti-Dilution Warrants at 1p	3,457,870
Number of CLN Deferred Interest Warrants at 27.5p	3,473,624
Number of CLN Deferred Interest Warrants at 21p	917,853
Number of Spring 2016 Warrants at 81.75p	2,643,309
Number of Options outstanding	2,952,266
Gross proceeds of the Placing	£1,500,000
Net proceeds of the Placing	£1,400,000

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise.

“Accounts”	the audited statutory accounts of the Company for year ended 30 June 2018
“Act”	the Gibraltar Companies Act 2014, as amended from time to time
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“AGM”	the annual general meeting of the Company to be held at 11.00 a.m. on 7 February 2019 at the offices of K&L Gates LLP, One New Change, London EC4M 9AF, or any reconvened annual general meeting
“AIM”	the AIM market operated by London Stock Exchange
“AIM Rules for Companies”	the AIM Rules for Companies as published by the London Stock Exchange from time to time
“Anti-Dilution Warrants”	warrants issued as part of the Debt Fundraise to subscribe for new Ordinary Shares at an exercise price of 1p per new Ordinary Share with limited exercise conditions
“Anti-Dilution Warrant Instrument”	the instrument creating the Anti-Dilution Warrants
“Articles”	the articles of association of the Company
“Board” or “Directors”	the directors of the Company as at the date of this document
“City Code”	the City Code on Takeovers and Mergers
“CLN Conversion”	the conversion of £3,952,777 of the outstanding balance of the £8,125,000 CLNs, plus the conversion of interest of £1,481,106.75 resulting in the issue of 36,225,894 New Ordinary Shares at the Placing Price
“CLN Deferred Interest Warrants”	warrants issued in exchange for deferral of CLN interest to subscribe for new Ordinary Shares at an exercise price of 27.5p or 21p per new Ordinary Share
“CLN Deferred Interest Warrant Instrument”	the instrument creating the CLN Deferred Interest Warrants
“CLN Instruments”	the £10,000,000 Series A Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (as amended by an amendment deed dated 29 December 2016) and the £1,100,000 Series B Fixed Rate Secured Convertible Loan Note Instrument dated 28 April 2015 (as amended by an amendment deed dated 5 October 2015), copies of which are available on the Company’s website
“CLNs”	the convertible loan notes issued pursuant to the CLN Instruments
“Company” or “Nektan”	Nektan plc

“Conversion Price”	the price at which the CLNs convert into new Ordinary Shares, being: (i) in respect of the Series A CLNs 200 per cent. of the price at which Ordinary Shares were last issued subject to a minimum price of 30 pence each and a maximum price of 209 pence each; and (ii) in respect of the Series B CLNs 125 per cent of the price at which Ordinary Shares were last issued subject to maximum of 209 pence each
“Debt Conversion”	the conversion by Gary Shaw of £650,000 of his outstanding debt under his Facility Agreement, plus accrued interest of £148,252, at the Placing Price, resulting in the issue of 5,321,680 New Ordinary Shares
“Debt Fundraise”	the July 2017 loans, directly or indirectly, by Gary Shaw and Sandeep Reddy, pursuant to the Facility Agreements with associated pro rata Debt Warrants and Anti-Dilution Warrants
“Debt Warrants”	warrants issued as part of the Debt Fundraise to subscribe for new Ordinary Shares at an exercise price of 27.5 pence per new Ordinary Share
“Debt Warrant Instrument”	the instrument creating the Debt Warrants
“Deed Poll”	the deed poll dated 28 October 2014 executed by the Depositary in relation to the issue of Depositary Interests by the Depositary
“Depositary”	Link Market Services Trustees Limited
“Depositary Interests”	uncertificated depositary interests issued by the Depositary and representing Ordinary Shares pursuant to the Deed Poll
“Existing Ordinary Shares”	the 47,565,873 Ordinary Shares in issue
“Exit”	means (i) the acquisition by any person of the entire issued share capital of the Company, or (ii) the acquisition by any person of the whole or substantially the whole of the business and undertaking of the Nektan Group
“Facility Agreement” or “Facility Agreements”	the facility agreements entered into in July 2017 between the Company and Gary Shaw for £1,300,000 and the Company and VTA for £1,200,000 respectively
“Form of Proxy”	the enclosed form of proxy for use at the AGM
“FCA”	the Financial Conduct Authority of the UK
“FSMA”	Financial Services and Market Act 2000 (as amended)
“Group” or “Nektan Group”	Nektan and its subsidiaries
“Independent Directors”	Jim Wilkinson and Lucy Buckley
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to

financial sector firms), the Terrorism Act 2000, the Anti Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006

“New Ordinary Shares”	the new Ordinary Shares to be issued at the Placing Price pursuant to the Placing, the CLN Conversion and the Debt Conversion
“Noteholders”	holders of the CLNs
“Notice” or “Notice of AGM”	the notice convening the AGM set out in Part 2 of this document
“Options”	options in the Company as set out in the Notice
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders with a registered address outside the United Kingdom
“Placing”	the fundraising at the Placing Price to raise a minimum of £1,500,000
“Placing Price”	means 15p per New Ordinary Share
“Registrars” or “Link Asset Services”	a trading name of Link Asset Services Limited, a private limited company incorporated in England and Wales with the registered number 2605568 whose registered address is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Resolutions”	the resolutions to be proposed at the AGM, as set out in the Notice
“Respin”	Respin LLC, the Company’s US subsidiary
“Respin Sale”	the sale of 57.5 per cent. of the issued share capital of Respin
“Series A CLNs”	the convertible loan notes issued pursuant to the £10,000,000 Series A Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (as amended)
“Series B CLNs”	the convertible loan notes issued pursuant to the £1,100,000 Series B Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (VCT) (as amended)
“Shareholders”	the holders of Ordinary Shares
“Spring 2016 Warrants”	warrants issued as part of the Spring 2016 equity fundraising to subscribe for new Ordinary Shares at an exercise price of 81.75p per new Ordinary Share
“Spring 2016 Warrant Instrument”	the instrument creating the Spring 2016 Warrants
“Subscription Agreements”	the conditional subscription agreements entered into between the Company and various investors to raise a minimum of £1,500,000 in equity capital for the Company pursuant to the Placing
“UK”	the United Kingdom of Great Britain and Northern Ireland

**“United States”,
“United States of America” or “US”**

the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all areas subject to its jurisdiction

“VTA”

Venture Tech Assets Limited, a company that is controlled by Sandeep Reddy, a non-Executive Director of the Company

“Warrants”

together the Debt Warrants, the Anti-Dilution Warrants, the Spring 2016 Warrants and the CLN Deferred Interest Warrants

PART 1 – LETTER FROM THE CHAIRMAN OF THE COMPANY

NEKTAN PLC

(incorporated in Gibraltar and registered with number 105853)

Directors:

Jim Wilkinson* (Non-executive Chairman)

Lucy Buckley* (Chief Executive)

Gary Shaw (Executive Director)

Sandeep Reddy (Non-executive Director)

* denotes Independent Director

Registered Office:

Suite 1

Burn's House

19 Town Range

Gibraltar

11 January 2019

Dear Shareholder

Proposed Placing to raise a minimum of £1,500,000, sale of a majority shareholding in Respin, CLN Conversion, amendment of the Series A CLN, Debt Conversion and amendment of the Facility Agreements

1. Introduction

The Company announced on 27 December 2018 that it had secured Subscription Agreements and indications of interest from certain investors to raise a minimum of £1,500,000 at the Placing Price and that the Subscription Agreements were conditional, *inter alia*, on the passing of the Resolutions at the AGM. In addition, and inter-conditionally, the Company has received commitments to convert a proportion of the Series A CLNs and interest thereon at the Placing Price; to amend the future conversion price and interest rate of the remaining Series A CLNs; for Gary Shaw to convert debt to equity and for Gary Shaw and VTA to amend their Facility Agreements. The Company is also selling 57.5 per cent. of Respin LLC, its US subsidiary.

The purpose of this document is to set out the background to the Placing, the terms of the CLN Conversion and the amendment of the Series A CLN's, the Debt Conversion and Facility Agreement amendments, the terms of the sale of 57.5 per cent. of Respin and to convene the 2018 Annual General Meeting in order to approve the Resolutions required to permit all of the proposed transactions to take place.

2. Background to the Placing

As announced in the Company's audited final results on 27 December 2018, and subsequently in its trading update on 7 January 2019, the Group continues to see improvements in trading with growth across its key performance indicators ("KPIs") of Net Gaming Revenue ("NGR"), First Time Depositors ("FTDs"), cash wagering and transactions processed. This, in conjunction with a realignment of player marketing towards higher margin activities, will, the Board believes, continue to improve the Company's profitability. The Company also announced on 7 January 2019 continued momentum with further strong growth across all of its KPIs in the quarter ended 31 December 2018.

Due to the continued investment in the development of the Company's operations, the Group continues to be loss making and, as outlined in its audited final results announced on 27 December 2018, the Group requires further long-term funding in order to become cash flow positive. As a result, the Directors have therefore continued to assess the Group's financing options. These have included issuing new equity, promoting the conversion of the CLN debt and realising value from its US subsidiary.

Having considered the available funding options, and taking the continuing short term cash requirements of the Group into consideration, the Board decided to undertake the Placing and the part disposal of its US business, Respin, which is intended to address the Group's near term working capital requirements and to strengthen its balance sheet.

3. Respin

As part of the continued realignment of the Group's business, the Company has agreed to sell 57.5 per cent. of the issued share capital of Respin for a consideration of £2,000,000 payable in cash in principle. The first instalment of £1,000,000 will be paid on completion (expected in early 2019) and a further £1,000,000 during 2019. In addition, the buyer will fund the Respin business for the next 12 months with a working capital facility of £300,000. As a consequence, the Respin cash burn to the Company for the remainder of 2019 will be reduced to zero.

4. The Placing

The Company has entered into the Subscription Agreements, under which the subscribers will invest a minimum of £1.5 million into the Company, subject to Shareholders passing the Resolutions. In addition, should further investors wish to invest on the same basis, subscriptions will be taken up until 30 April 2019. This could lead to further dilution for Shareholders.

5. The Debt Conversion and Facility Agreement Amendments

Gary Shaw, Executive Director of the Company, has agreed with the Company to convert £650,000 of the £1,185,000 outstanding under his Facility Agreement, plus accrued interest of £148,252, into a total of 5,321,680 New Ordinary Shares at the Placing Price, subject to Shareholders passing the Resolutions.

In addition, the Facility Agreements will be amended such that their redemption date shall be no earlier than 29 April 2020 and the coupon will be reduced to 2.5 per cent.

6. The CLN Conversion and Series A CLN Amendment

Pursuant to a deed of amendment and Noteholder resolution, signed by the requisite number of Noteholders and the conversion notices received by the Company to date, £3,952,777 of the outstanding balance of £8,125,000 of the Series A CLNs, plus outstanding interest of £1,481,106.75, will convert into New Ordinary Shares at the Placing Price resulting in a total of 36,225,894 New Ordinary Shares being issued. The offer to Noteholders to convert principal and/or interest at the Placing Price will remain open until 6 February 2019. If further Noteholders choose to convert principal and/or interest this would be further dilutive to Shareholders.

In addition, the amendment of the Series A CLN will mean that the future Conversion Price will be 200 per cent. of the last equity issue price, with a minimum Conversion Price of 30p and a maximum Conversion Price of 209 pence, with the interest rate also being lowered to 2.5 per cent.

7. Use of proceeds and working capital

The funds raised by the Placing and sale of 57.5 per cent. of the issued share capital of Respin of, in aggregate, £3.5 million will be used to partially settle an outstanding UK point of consumption tax of £2.9 million owed by the Company, to support the near term working capital requirements of the Company's operations, to allow the Company to support the continued growth of its European managed gaming solutions business and the establishment of its B2B software licensing and games distribution business. The Company has entered into negotiations with HMRC in order to agree a payment schedule for the outstanding amounts of UK point of consumption tax.

As the Placing, the CLN Conversion, the Debt Conversion and other matters are conditional, *inter alia*, upon the passing of the Resolutions, Shareholders should be aware that, if the Resolutions are not passed, the proceeds of the Placing will not be received by the Company. In such circumstances, the Company would need urgently to pursue additional or alternative funding sources which, if they are available at all, may be expensive and/or onerous for the Company.

8. Current trading and prospects

The Company announced on 7 January 2019 the following trading update:

Managed Gaming Solutions (Europe) – the Company continues to experience strong growth across all KPIs, driven through a combination of increased FTDs, ongoing product innovation and the launch of 9 new casinos in the quarter. Year on year revenue growth of 130 per cent. reflects substantial organic growth and is accompanied by an improvement in the cost of sales through effective casino management.

	Q4 FY17	Q4 FY16	Change	Q3 FY17	Change	FY17	FY16	Change
Net Gaming Revenue	£4.2m	£2.0m	110%	£3.5m	18%	£13.1m	£5.7m	130%
First Time Depositors	42,429	16,071	164%	38,424	10%	130,105	49,176	165%
Cash Wagering	£118.7m	£48.5m	145%	£99.0m	21%	£390.3m	£151.9	157%
Transactions (bets or spins)	171.6m	64.7m	165%	132.3m	30%	423.5m	176.9m	139%

B2B Europe – Nektan has further extended its games licensing partnership with Spin Games LLC (“**Spin**”) to incorporate the European licensing of certain Konami and other premium third party game titles deployed on the Spin remote gaming server (ROC). Nektan expects to publish the first games in its managed casino network via ROC during Q1 FY18. Through this partnership, these games will also be made available to European commercial gaming operators via Nektan’s proprietary technology, Evolve Lite.

The Company has signed 3 contracts to enable 3rd party games studios to work in partnership with the Company and to leverage its Gibraltar infrastructure to supply licensed commercial gaming solutions.

The Company expects the B2B business to generate revenue and to make a positive contribution in Q1 FY18.

North America – Respin, the Company’s US subsidiary and leader in in-venue gaming, continues to sign additional casinos for its mobile gaming solution, Rapid Games. The US management team expects to launch Rapid Games in its first casino during the next quarter.

9. Related party transactions

Gary Shaw, an Executive Director of the Company, and Sandeep Reddy, a non-Executive Director of the Company, have, either directly or through their associated companies, current holdings of 5,330,168, and 6,431,373 Ordinary Shares respectively (representing 11.2 per cent. and 13.6 per cent. of the Company’s issued share capital respectively). Gary Shaw and Sandeep Reddy directly or indirectly, have lent £1,185,000 and £800,000 respectively to the Company under the Facility Agreements. As Directors, their participation in the Debt Fundraise constituted a related party transaction under the AIM Rules for Companies and the amendment of those Facility Agreements and the Debt Conversion now constitute further related party transactions under the AIM Rules for Companies.

In addition, the participation in the Placing by Gary Shaw constitutes a further related party transaction.

The Independent Directors consider, having consulted with the Company’s nominated adviser, Stockdale, that the amended terms of the Facility Agreements, the Debt Conversion and the participation in the Placing by Gary Shaw are fair and reasonable insofar as the Shareholders are concerned.

10. Annual General Meeting

Set out in Part 2 of this document is a notice convening the AGM at which the Resolutions will be proposed. The Resolutions grant the relevant authorities to proceed with the Placing, CLN Conversion and Debt Conversion, as well as providing authorities for the exercise of the Warrants and the standard authorities and disapplication of pre-emption rights.

11. Recommendation

The Independent Directors believe that the Placing, Respin Sale, the CLN Conversion and Series A CLN amendment, the Debt Conversion and Facility Agreement amendments are in the best interests of the Company and its Shareholders as a whole.

In addition, the Independent Directors recommend that Shareholders vote in favour of the Resolutions. Jim Wilkinson, as an Independent Director has irrevocably undertaken to vote in favour of the Resolutions in respect of, in aggregate, 599,099 Existing Ordinary Shares, representing approximately 1.2 per cent. of the Company's issued share capital.

As the Placing, the CLN Conversion, the Debt Conversion and other matters are conditional, *inter alia*, upon the passing of the Resolutions, Shareholders should be aware that, if the Resolutions are not passed, the proceeds of the Placing will not be received by the Company. In such circumstances, the Company would need urgently to pursue additional or alternative funding sources which, if they are available at all, may be expensive and/or onerous for the Company.

Jim Wilkinson
Chairman

PART 2 – NOTICE OF AGM

NEKTAN PLC



(incorporated in Gibraltar and registered with number 105853)

NOTICE OF 2018 ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised for the purposes of the Financial Services and Markets Act 2000 (“FSMA”) who specialises in advising on the acquisition of shares and other securities if you are resident in the United Kingdom or, if not, from another appropriate adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please forward this document and the accompanying form of proxy and form of direction to the purchaser or transferee or to the stakeholder, bank or other agent through whom the sale or transfer was effected, for the transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN THAT the 2018 Annual General Meeting of the Company for the period commencing 1 July 2017 and ending on 30 June 2018 will be convened at the offices of K&L Gates LLP, One New Change, London EC4M 9AF and by telephone using telephone number 0800 528 2077 for callers in the UK and +44 (0)20 7855 3285 for callers from outside the UK and passcode 15175426 on 7 February 2019 at 11.00 a.m. (UK time) to consider and, if deemed fit, to approve the following resolutions (the “**Resolutions**”). Resolutions 1 to 4 (inclusive) being ordinary resolutions and Resolution 5 being a special resolution.

ORDINARY RESOLUTIONS

1. To receive the Annual Report and Accounts for the year ended 30 June 2018 and the reports of the Directors and the auditors thereon.
2. That Lucy Buckley, who retires in accordance with the Company’s Articles of Association (the “**Articles**”) and who being eligible, offers herself for re-election, be re-elected as a Director of the Company.¹
3. To reappoint BDO LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and to authorise the Directors to set the auditors’ remuneration.
4. That, in accordance with the Company’s Articles, the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:
 - (a) up to an aggregate nominal amount of £75,785.77 in connection with the grant or exercise of certain options over the share capital of the Company (the “**Options**”);
 - (b) up to an aggregate nominal amount of £26,433.09 in connection with the grant or exercise of certain warrants over the share capital of the Company issued in March 2016 (the “**Spring 2016 Warrants**”);

¹ Article 84 – At each AGM any director who: (i) has been appointed since the last AGM; (ii) held office at the time of the last two AGM’s and did not retire at either of them, or (iii) held office (other than employment or executive office) for a continuous period of 9 years or more at the date of the AGM, must retire and will be eligible for re-appointment.

- (c) up to an aggregate nominal amount of £615,033.33 in connection with and on the terms set out in the convertible loan notes issued pursuant to the Series A Fixed Rate Secured Convertible Loan Note 2020 Instrument dated 28 April 2015 (as amended by a first amendment deed dated 29 December 2016 and a second amendment deed dated 18 December 2017) and the Series B Fixed Rate Secured Convertible Loan Note Instrument dated 28 April 2015 (as amended by an amendment deed dated 5 October 2015) (the “**CLNs**”);
- (d) up to an aggregate nominal amount of £43,914.77 in connection with the exercise of certain warrants over the share capital of the Company issued to the Series A CLN holders as consideration for agreeing to defer interest on the Series A CLN’s (the “**CLN Deferred Interest Warrants**”);
- (e) up to an aggregate nominal amount of £106,396.00 in connection with the grant or exercise of certain warrants over the share capital of the Company issued in connection with the July 2017 debt fundraise (the “**Debt Warrants**”);
- (f) up to an aggregate nominal amount of £34,578.70 in connection with the grant or exercise of certain limited exercise warrants over the share capital of the Company issued in connection with the July 2017 debt fundraise (the “**Anti-Dilution Warrants**”);
- (g) up to an aggregate nominal amount of £233,000.33 in connection with an issue for cash to raise up to £3.5 million at 15p per share between December 2018 and 30 April 2019 (the “**December 2018 Fundraise**”);
- (h) up to an aggregate nominal amount of £54,000.00 in connection with the conversion at 15p per share of £650,000 plus interest of Gary Shaw’s loan made pursuant to the July 2017 debt fundraise (the “**Debt Conversion**”);
- (i) up to an aggregate nominal amount of £128,981.93 in connection with the settlement of CLN rolled up interest on conversion of CLN’s as announced in December 2018 (“**CLN Interest**”);
- (j) otherwise than in connection with the matters set out in sub-paragraphs (a) to (i) above, up to an aggregate nominal amount of £330,378.15; and
- (k) otherwise than in connection with the matters set out in sub-paragraphs (a) to (i) above, up to an aggregate nominal value of £660,756.30 (after deducting from such limit any relevant securities allotted under paragraph (j) above) in connection with any offer by way of a rights issue;

Unless previously renewed, revoked or varied, the authority conferred by this Resolution 4 shall apply in substitution for all existing authorities until the conclusion of the next annual general meeting of the Company after the date on which this Resolution is passed or, if earlier, the close of business on the date 15 months following the passing of this Resolution but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to be granted after the authority expires and the directors may allot shares or grant such rights under such an offer or agreement as if the authority conferred hereby had not expired.

For the purposes of this Resolution 4, “rights issue” means an offer to:

- i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- ii. holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary.

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such limits, restrictions or arrangements as the directors consider necessary or appropriate to deal with fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

SPECIAL RESOLUTION

5. That, subject to the passing of Resolution 4 and in place of any existing authority, the Directors be given the general power to allot equity securities for cash, pursuant to the authority conferred by Resolution 5, as if article 5 of the Company's Articles did not apply to any such allotment, provided that this power shall be limited to:
- (a) up to an aggregate nominal amount of £75,785.77 in connection with the grant or exercise of the Options;
 - (b) up to an aggregate nominal amount of £26,433.09 in connection with the grant or exercise of the Spring 2016 Warrants;
 - (c) up to an aggregate nominal amount of £615,033.33 in connection with the CLNs;
 - (d) up to an aggregate nominal amount of £43,914.77 in connection with the exercise of the CLN Deferred Interest Warrants;
 - (e) up to an aggregate nominal amount of £106,396.00 in connection with the grant or exercise of the Debt Warrants;
 - (f) up to an aggregate nominal amount of £34,578.70 in connection with the grant or exercise of the Anti-Dilution Warrants;
 - (g) up to an aggregate nominal amount of £233,000.33 in connection with the December 2018 Fundraise;
 - (h) up to an aggregate nominal amount of £54,000.00 in connection with the Debt Conversion;
 - (i) up to an aggregate nominal amount of £128,981.93 in connection with CLN Interest;
 - (j) in connection with a rights issue pursuant to sub-paragraph (k) of Resolution 4 as the Directors may consider necessary, appropriate or expedient to deal with fractional entitlements, record dates, any legal or practical problems in or under the laws of any territory, the requirements of any regulatory body or any stock exchange in any territory or any other matter whatsoever; and
 - (k) otherwise than in connection with the matters set out in sub paragraphs (a) to (j) above, up to an aggregate nominal amount of £99,113.45.

Unless previously renewed, revoked or varied, the power conferred by this Resolution 5 shall apply in substitution for all existing powers until the conclusion of the next annual general meeting of the Company after the date on which this Resolution is passed or, if earlier, the close of business on the date 15 months following the passing of this Resolution but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted after the power expires and the directors may allot equity securities under such an offer or agreement as if the power conferred hereby had not expired.

For the purposes of this Resolution 5, "rights issue" has the same meaning given in Resolution 4.

BY ORDER OF THE BOARD

Jim Wilkinson
Chairman

Dated this 11 January 2019

EXPLANATORY NOTES

1. Only those members registered in the register of members of the Company at 6.00 p.m. on 5 February 2019 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned, the time by which a person must be entered in the register of members of the Company in order to have the right to attend and vote at the meeting is 6.00 p.m. on the day that is two days prior to the day of the adjourned meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and to speak and vote on his behalf at the meeting. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. The completion and return of a proxy form will not prevent a member who wishes to do so from attending and voting at the meeting in person.
3. 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. Each proxy must be appointed on a separate proxy form. Additional proxy forms may be obtained by contacting Ken Duncan on Ken.Duncan@nektan.com. Alternatively, members may photocopy the accompanying proxy form the required number of times before completing it. A member appointing more than one proxy must indicate on the relevant proxy forms the number of shares in respect of which each proxy is appointed.
4. To be valid, a proxy form and any power of attorney or other authority (if any) under which it is signed (or a duly certified copy of such power or authority) must be received by post (during normal business hours only) or by hand at 2.1 Waterport Place, 2 Europort Avenue, Gibraltar, not less than 48 hours before the time appointed for holding the meeting at which the person named in such instrument proposes to vote, i.e. 11.00 a.m. (UK time) on 5 February 2019.
5. The form of direction accompanying this Notice must be signed by the depositary interest holder or an attorney duly authorised in writing and deposited with Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 72 hours before the time appointed for holding the meeting at which the person named in such instrument proposed to vote, i.e. 11.00 a.m. (UK time) on 4 February 2019. Any form of direction received after that time will not be valid for the scheduled meeting.
6. CREST members who wish to give a form of direction or appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof 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 should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.
7. 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 & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or 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 issuer’s agent (ID R033) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee by other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider take) 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.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
12. As at 11 January 2019 (being the latest practicable date prior to the publication of this notice), the Company’s issued share capital consisted of 47,565,873 Ordinary Shares, carrying one vote each. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights in the Company as at 11 January 2019 is 47,565,873. Subject to Admission, it is expected that as at 7 February 2019, the total number of voting rights will be 99,113,445 as a result of the conversions and subscription announced by the Company on 27 December 2018.
13. Resolution 1 is required by the Gibraltar Companies Act 2014 (as amended) which states the directors must present audited consolidated accounts of the Company to a general meeting of shareholders.
14. Resolution 2 confirms the retirement and re-election of Lucy Buckley. Her profile can be found in the Company’s Annual Report and Accounts.

15. Resolution 3 is required by section 255 of the Gibraltar Companies Act 2014 (as amended) that states that the Company must appoint an auditor to hold office at each annual general meeting. The audit committee recommends, and the board agrees with, the reappointment of BDO LLP as auditors.
16. Resolution 4 gives the Directors authority to allot Ordinary Shares up to an aggregate nominal value of: (a) £75,785.77 in connection with options exercisable by Chrystal Capital Partners LLP and Disruptive Tech Limited and in relation to the Employee Share Scheme (as defined in the Articles); (b) £26,433.09 in connection with warrants issued over share capital the Company in March 2016; (c) £615,033.33 in connection with the possible conversion of the outstanding CLNs; (d) £43,914.77 in connection with the issue of the CLN Deferred Interest Warrants; (e) £106,396.00 in connection with the exercise of the Debt Warrants held by Gary Shaw and Sandeep Reddy; (f) £34,578.70 in connection with the Anti-Dilution Warrants; (g) £233,000.33 in connection with the December 2018 Fundraise; (h) £54,000.00 in connection with the Debt Conversion; (i) £128,981.93 in connection with CLN Interest; (j) £330,378.15 being up to one third of the aggregate nominal amount of the Company's entire issued ordinary share capital as at the date of the passing of this Resolution 4 and post the issue of the December 2018 share issues; and (k) £660,756.30 being up to two thirds of the Company's entire issued share capital post the issue of the December 2018 share issues (less any shares issued under (j)) by way of a rights issue. The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the passing of the resolution. These authorities would also negate previous authorities to allot Ordinary Shares in the Company.
17. Resolution 5 disapplies pre-emption rights contained in the Articles for the allotment of equity securities pursuant to the authority contained in Resolution 4. This authority allows the Directors to allot Ordinary Shares on a non-pre-emptive basis, for all of the Ordinary Shares set out in each of sub-paragraphs (a) to (i) of Resolution 4 and for the Ordinary Shares in sub-paragraph (j) relating to a rights issue with flexibility in dealing with fractions and other ancillary matters requiring administrative disapplication of pre-emption rights and further up to a nominal value equal to one tenth of the aggregate nominal amount of the Company's entire issued share capital generally. The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company or 15 months from the passing of the resolution.

