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If you sell or transfer or have sold or transferred all of your Ordinary Shares, please forward this Document as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

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Pelatro PLC

Incorporated in England and Wales with registered number 10630166

Proposed cancellation of admission of Ordinary Shares to trading on AIM

Notice of General Meeting

Re-Registration as a Private Limited Company

And

Adoption of New Articles of Association

The Directors, whose names appear in Part I of this Document, accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of each of the Directors (who have all taken reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Document should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this Document which includes a recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

A notice to convene a General Meeting of the Company, to be held at the offices of the Company at 11.00 a.m. on 21 September 2023 is set out in Part IV of this Document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the proposed Cancellation pursuant to AIM Rule 41	31 August 2023
Posting of this Circular to Shareholders	4 September 2023
Latest time for receipt of proxy appointments in respect of the General Meeting	11.00 BST, 19 September 2023
Time and date of General Meeting	11.00 BST, 21 September 2023
Last day of dealings in the Ordinary Shares on AIM	28 September 2023
Cancellation of admission of the Ordinary Shares to trading on AIM	29 September 2023
Re-registration as a private company	Week commencing 23 October
Matched Bargain Facility for Ordinary Shares commences	29 September 2023

Notes:

All of the times referred to in this Document refer to London time, unless otherwise stated.

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 dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

DIRECTORS AND ADVISERS

Directors	Harry Berry (<i>Independent Non-Executive Chairman</i>) Subash Menon (<i>Chief Executive Officer</i>) Sudeesh Yezhuvath (<i>Chief Operating Officer</i>) Pieter Verkade (<i>Independent Non-Executive Director</i>)
Registered office	49 Queen Victoria Street London EC4N 4SA
Nominated Adviser and Broker	finnCap Limited One Bartholomew Close London EC1A 7BL
Legal advisers to the Company	Memery Crystal 165 Fleet Street London EC4A 2DY
Registrars	Equiniti Limited Aspect House, Spencer Road Lancing West Sussex BN99 6DA

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise:

“AIM”	AIM, the market operated by the London Stock Exchange
“AIM Rules”	the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for the transaction of normal banking business in London
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution
“Cancellation Resolution”	Resolution 1 to be proposed at the General Meeting
“Company” or “Pelatro”	Pelatro plc, a company incorporated in England and Wales with registered number 10630166 and having its registered office at 49 Queen Victoria Street, London EC4N 4SA
“Companies Act”	the Companies Act 2006 (as amended from time to time)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as also defined in the CREST Regulations)
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI2001/3755), (as amended from time to time)
“Current Articles”	the articles of association of the Company at the date of this Document
“Directors” or “Board”	the directors of the Company, whose names are set out in Part I of this Document
“Disclosure Guidance and Transparency Rules”	the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of FSMA
“Document”	this document, containing information regarding the Cancellation, the Re-registration, the adoption of the New Articles and the General Meeting
“finnCap”	finnCap Limited
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time)
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 21 September 2023 and any adjournment thereof, notice of which is set out in Part IV of this Document
“Group”	Pelatro and its subsidiary undertakings (as such term is defined in section 1162 of the Companies Act) from time to time
“London Stock Exchange”	London Stock Exchange plc

“New Articles”	the new articles of association of the Company proposed to be adopted pursuant to Resolution 2 to be proposed at the General Meeting with the principal differences between the Current Articles and the proposed New Articles summarised in Part II of this Document, a copy of which can be viewed at www.pelatro.com
“Notice of General Meeting” or “Notice”	the notice of the General Meeting which is set out in Part IV of this Document
“Ordinary Shares”	the ordinary shares in the capital of the Company of £0.025 each and “Ordinary Share” means any one of them
“Panel”	the Panel on Takeovers and Mergers
“Registrars”	Equiniti Limited
“Regulatory Information Service”	has the meaning given to it in the AIM Rules for any of the services approved by the London Stock Exchange for the distribution of AIM announcements and included within the list maintained on the website of the London Stock Exchange
“Re-registration”	the proposed re-registration of the Company as a private limited company
“Resolutions”	the resolutions to be proposed at the General Meeting in the form set out in Part IV
“Shareholders”	holders of Ordinary Shares from time to time and “Shareholder” means any one of them
“Takeover Code”	the City Code on Takeovers and Mergers
“UK MAR”	Regulation (EU) (No 596/2014) of the European Parliament and of the Council of 16 April 2014 on market abuse to the extent that it forms part of the domestic law of the United Kingdom including by virtue of the European Union (Withdrawal) Act 2018 (as amended by virtue of the European Union (Withdrawal Agreement) Act 2020)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

PART I

LETTER FROM THE CHAIRMAN OF

PELATRO PLC

(Incorporated in England and Wales with Registered No. 10630166)

Directors:

Harry Berry *(Independent Non-Executive Chairman)*

Subash Menon *(Chief Executive Officer)*

Sudeesh Yezhuvath *(Chief Operating Officer)*

Pieter Verkade *(Independent Non-Executive Director)*

September 4, 2023

Dear Shareholder

Proposed cancellation of admission of Ordinary Shares to trading on AIM, re-registration as a private limited company and associated adoption of new articles of association

Introduction

As announced by the Company on 31 August 2023, the Directors have, after a period of review, concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for cancellation of the admission of the Ordinary Shares to trading on AIM and for the Company to be re-registered as a private limited company and adopt the New Articles. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the date of the proposed Cancellation.

The Company is seeking Shareholders' approval for the Cancellation, Re-registration and adoption of the New Articles at the General Meeting, which has been convened for 11.00 a.m. on 21 September 2023. If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 29 September 2023.

The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of Shareholders holding not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

The purpose of this Document is to seek Shareholders' approval for the Resolutions, to provide information on the background and reasons for the proposed Cancellation and the Re-registration and associated adoption of the New Articles, to explain the consequences of the Cancellation and the Re-registration and associated adoption of the New Articles and to provide reasons why the Directors unanimously consider the Cancellation and the Re-registration and associated adoption of the New Articles to be in the best interests of the Company and its Shareholders as a whole.

The Notice of the General Meeting is set out in Part IV of this Document.

Background to and reasons for the Cancellation and Re-registration

The Directors have undertaken a review to evaluate the benefits and drawbacks to the Company and its Shareholders of retaining admission to trading of the Ordinary Shares on AIM. This review has included, amongst other matters, the public market share trading and valuation of the Company, the increasing costs of maintaining a public quotation and especially the inability to raise funds in the London market (including most recently to address the likely working capital shortfall experienced by the Group), which was a primary reason the Company sought admission to AIM in the first place. For these reasons, the Directors have concluded that the Cancellation and Re-registration are in the best interests of the Company and its

Shareholders as a whole. Further details of the background to and reasons for the Cancellation and Re-registration are set out below.

The Directors believe that a number of factors have impaired investor sentiment towards the Company, including, amongst others: (a) the Company's exposure to events outside its control impacting its recent trading performance; (b) current market conditions and the lack of investor appetite for the Company; and (c) lack of UK market liquidity.

Further, the Directors believe that growing the Group's business within the parameters of a publicly quoted company will be more challenging due to: (a) continuing adverse sentiment towards the Company as referred to above; and (b) the legal and regulatory burden associated in maintaining the Company's AIM admission. These factors have led the Directors to consider that the Company's business may no longer be appropriate for that of a publicly quoted company.

Due to the setbacks suffered by the Company as a result of recent events, the Directors believe that having access to capital in the near to medium-term may be prudent to ensure that the Company can capitalise successfully on future opportunities and growth and, as a result of the factors set out above, the Directors consider it unlikely that an equity fundraise using the public markets would successfully raise additional capital (or provide the optimal platform to do so), should it be so required.

More generally, the UK small and micro-cap public markets have changed significantly since the Company's IPO and the Directors believe that the Company's current public market valuation does not reflect the underlying potential of the business with the result that growth prospects are more readily accessible and managed in a private market environment.

There has been limited liquidity in the Ordinary Shares for some time and, as a result, the Directors believe that continued admission to trading on AIM no longer sufficiently provides the Company with the advantage of providing access to capital in the medium to longer-term, nor provides liquidity to investors. As a result, the Directors have concluded that the most likely source of future funds would be through private capital and debt funding.

The considerable cost, management time and legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Directors' opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM. Given the lower costs associated with private limited company status, it is estimated that the Cancellation and Re-registration will materially reduce the Company's recurring administrative and adviser costs by approximately \$400,000 per annum, which the Directors believe can be better spent supporting growth in the Group's business.

As a result of the limited liquidity in Ordinary Shares highlighted above, the admission of the Ordinary Shares to trading on AIM does not necessarily offer investors the opportunity to trade in meaningful volumes or with frequency within an active market. With low trading volumes, the Company's share price can move up or down significantly following trades of small volumes of Ordinary Shares. In the opinion of the Directors, the adverse share price performance is detrimental to the perception of the Group amongst customers and other partners, which, in turn, has negatively impacted its staff morale and industry reputation as highlighted above.

Following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation and Re-registration. In addition, in connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

Process for, and principal effects of, the Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

Under the AIM Rules, the Company is required to give at least 20 clear Business Days' notice of Cancellation. Additionally, Cancellation will not take effect until at least five clear Business Days have passed following the

passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 28 September 2023 and that the Cancellation will take effect at 7.00 a.m. on 29 September 2023.

The principal effects of the Cancellation will include the following:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares;
- it is possible that, following the publication of this Document, the liquidity and marketability of the Ordinary Shares is reduced and their value adversely affected (however, as set out above, the Directors believe that the existing liquidity in the Ordinary Shares is in any event limited);
- the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- in the absence of a formal market and quote, it may be difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- the Takeover Code will cease to apply to the Company following the Cancellation and Re-registration;
- finnCap will cease to be nominated adviser to the Company;
- whilst the Company's CREST facility will remain in place immediately post the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and
- the Cancellation and Re-registration may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England & Wales in accordance with and, subject to the Companies Act, notwithstanding the Cancellation and Re-registration.

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company will:

- continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Companies Act; and
- continue, for at least 12 months following the Cancellation, to maintain its website, www.pelatro.com and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the

Disclosure Guidance and Transparency Rules, AIM Rule 26 or to update the website as required by the AIM Rules.

There will be no change to the composition of the Board immediately following the Cancellation and Re-registration. Harry Berry and Pieter Verkade (being the two Non-Executive Directors of the Company) have, however, notified the Company that they are considering stepping down from their roles as directors in the period shortly following the Cancellation and Re-registration. A key purpose of their current positions is to bring independence to the Board, as well as to ensure that the Company meets its obligations under the AIM Rules, and such a role is unlikely to exist or be economically or operationally justified should the Cancellation and Re-registration take place.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles, with effect from the Re-registration. A summary of the principal differences between the Current Articles and the proposed New Articles is included in Part II of this Document. A copy of the New Articles can be viewed at www.pelatro.com

Transactions in the Ordinary Shares prior to and post the proposed Cancellation

Prior to Cancellation

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM prior to Cancellation.

Following Cancellation

The Company is making arrangements for a Matched Bargain Facility to assist Shareholders to trade in the Ordinary Shares to be put in place from the date of Cancellation, if the Resolutions are passed. The Matched Bargain Facility will be provided by J P Jenkins. J P Jenkins is an appointed representative of Prosper Capital LLP, which is authorised and regulated by the Financial Conduct Authority.

Under the Matched Bargain Facility, Shareholders or persons wishing to acquire or dispose of Ordinary Shares will be able to leave an indication with J P Jenkins, through their stockbroker (J P Jenkins is unable to deal directly with members of the public), of the number of Ordinary Shares that they are prepared to buy or sell at an agreed price. In the event that J P Jenkins is able to match that order with an opposite sell or buy instruction, it would contact both parties and then effect the bargain (trade). Should the Cancellation become effective and the Company puts in place the Matched Bargain Facility, details will be made available to Shareholders on the Company's website at www.pelatro.com

The Matched Bargain Facility will operate for a minimum of six months after Cancellation. The Directors' current intention is that it will continue beyond that time but Shareholders should note that it could be withdrawn and therefore inhibit the ability to trade the Ordinary Shares. Further details will be communicated to the Shareholders at the relevant time.

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 28 September 2023 and that the effective date of the Cancellation will be 29 September 2023.

Re-registration

As set out above, following the Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

An application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of

incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company or that any such application to cancel the resolution to re-register as a private limited company has been determined and confirmed by the Court.

Takeover Code

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions are met, including that any of the company's equity share capital or other transferable securities carrying voting rights have been admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding 10 years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

The Panel has confirmed to the Company that, on the basis of the current residency of the Directors, the Company will not have its place of central management and control in the United Kingdom following the Cancellation and Re-registration. As a result, if the Cancellation and Re-registration are approved by Shareholders at the General Meeting and become effective, the Takeover Code will cease to apply to the Company and Shareholders will no longer be afforded the protections provided by the Takeover Code, including the requirement for a mandatory cash offer to be made if either:

- (i) a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30 per cent. or more; or
- (ii) a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Brief details of the Panel, and of the protections afforded to Shareholders by the Takeover Code (which will cease to apply following the Cancellation and Re-registration), are set out in Part III of this Document.

Process for Cancellation

Under the AIM Rules, it is a requirement that the Cancellation must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in Part IV of this Document contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 29 September 2023. Accordingly, if the

Cancellation Resolution is passed, the Cancellation will become effective at 7.00 a.m. on 29 September 2023. If the Cancellation becomes effective, finnCap will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

General Meeting

The General Meeting will be held at the offices of the Company at 49 Queen Victoria Street, London EC4N 4SA at 11.00 a.m. on 21 September 2023.

Resolution 1 to be proposed at the General Meeting is a special resolution to approve the Cancellation.

Resolution 2 to be proposed at the General Meeting is a special resolution to re-register the Company as a private company and to approve the adoption by the Company of new articles of association.

Resolution 1 is not conditional on Resolution 2 but Resolution 2 is conditional on Resolution 1.

Action to be taken in relation to the General Meeting

Shareholders are encouraged to appoint the chair of the General Meeting as their proxy with directions as to how to cast their vote on the Resolutions proposed. For further details on how to submit a proxy vote, please see the notes to the Notice of General Meeting at the end of this Document.

The appointment of a proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.

Irrevocable undertakings

The Company has received an irrevocable undertaking from each of the Directors holding in aggregate 12,933,553 Ordinary Shares (being all shareholdings held by Directors) and representing approximately 13.8 per cent. of the existing issued ordinary share capital of the Company to vote in favour of the Resolutions. The Directors are fully supportive of the Company's growth strategy and intend to continue to support the Company as Shareholders.

Recommendation

The Directors consider that the Cancellation and the Re-registration and adoption of the New Articles are in the best interests of the Company and its Shareholders as a whole and, therefore, unanimously recommend that you vote in favour of the Resolutions at the General Meeting.

Yours faithfully,

Harry Berry

Independent Non-Executive Chairman

PART II

PRINCIPAL EFFECT OF RE-REGISTRATION AND ADOPTION OF NEW ARTICLES ON SHAREHOLDERS

Accounts

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

General meetings and resolutions

A public company is required to hold an annual general meeting of Shareholders each year, whereas a private company is not. Therefore, following the Re-registration and the adoption of the New Articles, the Company will not hold annual general meetings.

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of at least 75 per cent. of the voting shares then in issue (in the case of special resolutions).

Directors

The Current Articles contain provisions requiring: (a) the directors of the Company to retire by rotation every three years; and (b) that one third of directors of the Company retire at each annual general meeting of the Company. These provisions are not included in the New Articles. In addition, the New Articles will not require any director appointed by the Board to be re-appointed by the Shareholders at the next annual general meeting following his appointment, as is currently required.

The Current Articles also provide that the minimum number of directors of the Company is four. The New Articles provide that the minimum number of directors of the Company is two.

Issue of shares for non-cash consideration

As a public company, there are restrictions on the ability of the Company to issue new shares. For example, as a public company, the Company is required to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the Re-registration and adoption of the New Articles.

Financial assistance, reductions of capital and purchase of own shares out of capital

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply.

In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court.

Company Secretary

There is no requirement for a company secretary to be appointed, although the Company may appoint one should it wish.

Removal of unnecessary provisions and simplification

The New Articles will not contain certain of the detailed provisions of the Current Articles which are common for listed companies, and which will not be necessary for the Company following the Cancellation.

PART III

THE TAKEOVER CODE

Shareholders should note that, if the Cancellation becomes effective (and subject to the Re-registration occurring), the Takeover Code ceases to apply to the Company and they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions are met, including that any of the company's equity share capital or other transferable securities carrying voting rights have been admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding 10 years.

If the Cancellation and Re-registration are approved by Shareholders at the General Meeting, the Company will be re-registered as a private company and its securities will no longer be admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom. In these circumstances, the Takeover Code will only apply to the Company if it is considered by the Panel to have its place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man. This is known as the "residency test". In determining whether the residency test is satisfied, the Panel has regard primarily to whether a majority of a company's directors are resident in these jurisdictions.

The Panel has confirmed to the Company that, on the basis of the current residency of the Directors, the Company will not have its place of central management and control in the United Kingdom following the Cancellation. As a result, if the Cancellation and Re-registration are approved by Shareholders at the General Meeting and become effective, the Takeover Code will cease to apply to the Company and Shareholders will no longer be afforded the protections provided by the Takeover Code, including the requirement for a mandatory cash offer to be made if either:

- (i) a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30 per cent. or more; or
- (ii) a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Brief details of the Panel, and of the protections given by the Takeover Code (which will cease to apply to Shareholders following the Cancellation and Re-registration) are described below. Before giving your consent to the Re-registration of the Company as a private company, you may want to take independent professional advice from an appropriate independent financial adviser.

The Takeover Code

The Takeover Code is issued and administered by the Panel. The Company is currently a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within

which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The General Principles and Rules of the Takeover Code

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part 1 of Appendix A of this Part III. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

Giving up the protection of the Takeover Code

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part 2 of Appendix A of this Part III. You are encouraged to read this information carefully as it outlines certain important protections which will cease to apply following Cancellation and Re-registration.

APPENDIX A

PART 1: THE GENERAL PRINCIPLES OF THE TAKEOVER CODE

All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.

The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.

The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.

False markets must not be created in the securities of the offeree company, of the offeror company, or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.

An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.

An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

PART 2: DETAILED APPLICATION OF THE TAKEOVER CODE

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. You should note that if the Cancellation becomes effective (subject to the Re-registration occurring) you will be giving up protections afforded by the Takeover Code.

Equality of treatment

General Principle 1 of the Takeover Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

Information to shareholders

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

The opinion of the offeree board and independent advice

The board of the offeree company is required by Rule 3.1 of the Takeover Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on:

- (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and
- (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

Option holders and holders of convertible securities or subscription rights

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights. If Cancellation occurs, 10 years following the Cancellation (subject to Re-registration having occurred) or on such other date at which the Takeover Code ceases to apply to the Company, these protections will be lost.

PART IV

NOTICE OF GENERAL MEETING

Pelatro PLC

(the “Company”)

NOTICE IS HEREBY GIVEN THAT a general meeting of the Company (the “General Meeting”) will be held at 11.00 a.m. on 21 September 2023 at 49 Queen Victoria Street, London EC4N 4SA to consider and, if thought fit, approve the special resolutions set out below.

SPECIAL RESOLUTIONS

Resolution 1

THAT, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by London Stock Exchange plc) of the ordinary shares of £0.025 each in the capital of the Company be and is hereby approved and the directors of the Company be authorised to take all action reasonable or necessary to effect such cancellation.

Resolution 2

THAT, subject to and conditional upon Resolution 1 proposed at the General Meeting being approved at the General Meeting and the cancellation of the admission of the ordinary shares of £0.025 in the capital of the Company to trading on AIM (the market of that name operated by London Stock Exchange plc) becoming effective:

the Company be re-registered as a private limited company under the Companies Act 2006 with the name of Pelatro Limited; and

the regulations contained in the document submitted to the meeting and for the purposes of identification initialled by or on behalf of the chairman be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

By order of the Board

Registered Office:

49 Queen Victoria Street
London
EC4N 4SA

4 September 2023

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint more than one proxy, to exercise all or any of his rights to attend, speak and vote in his place on a show of hands or on a poll provided that each proxy is appointed to a different share or shares. Such proxy need not be a member of the Company. In accordance with Article 52.3, any such appointment is valid only if the instrument of proxy is deposited with the Company's registrars not less than forty-eight hours (excluding non-working days) before the time for holding by 11.00 on 19 September 2023 or any adjourned meeting. A proxy need not also be a member of the Company. A form of proxy is enclosed and can be returned to FREEPOST RTHJ-CLLL-KBKU, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 8LU, or alternatively by email to proxyvotes@equiniti.com; completion of an instrument of proxy will not prevent members from attending and voting in person should they wish to do so.
2. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 18.30 on 19 September 2023. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

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 (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.

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 instruction, as described in the CREST Manual (available via www.euroclear.com). 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 Equiniti (ID RA19) by 11.00 on 19 September 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application 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 proxies appointed through CREST should be communicated to the appointee through other means.

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 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 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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.

3. "Relevant Securities" means:
 - (a) shares in the Company other than shares allotted pursuant to:(i) an employee share scheme (as defined by section 1166 of the Act); (ii) a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or (iii) a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; or
 - (b) any right to subscribe for or convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of Relevant Securities in the resolution include the grant of such rights.

Issued share capital and total voting rights

As at 6.00 p.m. on 1 September 2023 (being the latest practicable business day prior to the publication of this notice), the Company's ordinary issued share capital (excluding treasury shares) consists of 93,562,431 ordinary shares of £0.025 each, carrying one vote each. Therefore, the total voting rights in the Company as at close of business on 1 September 2023 were 93,562,431.

Members' right to ask questions

Any shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting, but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

Communication

You may not use any electronic address (within the meaning of s333(4) of CA 2006) provided in either this notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

Voting results

As soon as practicable after the General Meeting, the results of the voting at the meeting and the number of proxy votes cast for and against, and the number of votes withheld, in respect of each resolution will be announced via a Regulatory Information Service and also placed on the Company's website www.Pelatro.com.

Documents available for inspection

A copy of the New Articles will be available for inspection: (a) at the offices of Memery Crystal at 165 Fleet Street, London EC4A 2DY during normal business hours on any Business Day from the date of this notice until the conclusion of the General Meeting; and (b) on the date of the General Meeting, at the venue of the General Meeting from 10.15 a.m. until the conclusion of the General Meeting. A copy of the New Articles will also be available on the Company's website at www.pelatro.com

