

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. You should read the whole of this Document.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please forward this Document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This Document comprises a circular and notice of General Meeting.

The Directors, whose names appear on page 4 of this Document, and the Company accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all 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.

The distribution of this Document and any accompanying documents to jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this Document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for Ordinary Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this Document and/or any of the accompanying documents comes should inform themselves about and observe such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

This Document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 FSMA.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This Document does not comprise an admission document under the AIM Rules and neither the London Stock Exchange nor the Financial Conduct Authority have examined or approved the contents of this Document. This Document does not constitute a recommendation regarding securities of the Company. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Placing Shares to the Official List. The Placing Shares will not be dealt on any other recognised investment exchange and no other such application will be made.

Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Admission will become effective and that dealings in the Placing Shares will commence on AIM at 8.00 a.m. on 8 December 2020.

Inspecs Group plc

(incorporated and registered in England and Wales under the Companies Act 2006 and registered with number 11963910)

Proposed placing of 30,476,191 new Ordinary Shares at 210 pence per Ordinary Share and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company set out in this Document, which recommends that you vote in favour of the Resolutions and the Additional Resolutions to be proposed at the General Meeting referred to below.

Notice of a General Meeting of Inspecs Group plc, to be held at 7-10 Kelso Place, Bath, Somerset, United Kingdom, BA1 3AU at 10.30 a.m. on 7 December 2020, is set out at the end of this Document.

Please complete and submit the accompanying Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by no later than 10.30 a.m. on 5 December 2020. **Please do not attend the meeting in person (see paragraph 8 of the letter from the Chairman of the Company set out in this Document for further details). Anyone seeking to attend the meeting in person (other than those forming the quorum) will be refused entry.**

CREST members can also appoint proxies by using the CREST electronic appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Equiniti Limited (under CREST participant RA19) by no later than 10.30 a.m. on 5 December 2020. The time of receipt will be taken to be the time from which Equiniti Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

In light of the social distancing measures imposed by the UK Government as a result of the current COVID-19 pandemic, any proxy you appoint other than the chairman of the General Meeting will be refused entry to the meeting.

Peel Hunt, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser, broker and sole bookrunner to the Company in connection with the Placing and Admission and is not acting for any other persons in relation to the Placing and Admission. Peel Hunt is acting exclusively for the Company and for no one else in relation to the contents of this Document and persons receiving this Document should note that Peel Hunt will not be responsible to anyone other than the Company for providing the protections afforded to clients of Peel Hunt or for advising any other person on the arrangements described in this Document. Peel Hunt has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Peel Hunt for the accuracy of any information or opinions contained in this Document or for the omission of any information. The responsibilities of Peel Hunt as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this Document or otherwise.

The Placing Shares to be issued will, following their issue, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The Placing Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States. The Placing Shares may not be offered or sold in the United States except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

Additionally, the Placing Shares have not been and will not be registered under or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into such jurisdictions. Overseas Holders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this Document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

This Document may contain statements that are or may be "forward-looking statements". All statements, other than statements of historical facts, included in this Document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", "would", "could", "continue", "potential" or words or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements include matters which are not facts. They appear in a number of places throughout this Document and include (without limitation) statements regarding the Directors' intentions, understanding, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Inspecs. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules), Inspecs does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Inspecs or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Shareholders should not construe the contents of this Document as legal, tax or financial advice, and should consult with their own advisers as to the matters described herein.

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DIRECTORS OF THE COMPANY

Directors:	The Lord MacLaurin of Knebworth Robin Totterman Christopher Kay Christopher Hancock Richard Peck Angela Farrugia
Registered and Head Office:	7-10 Kelso Place Upper Bristol Road Bath BA1 3AU
Company Secretary:	Elliott Smith
Nominated Adviser, broker and sole bookrunner	Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
Solicitors to the Company:	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
Solicitors to Peel Hunt:	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Company Registrars:	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2020

Announcement of the Acquisition and the Placing	7.00 a.m. on 19 November
Posting of this Document	20 November
Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 5 December
General Meeting	10.30 a.m. on 7 December
Admission and commencement of dealings of the Placing Shares if the Resolutions are passed	8.00 a.m. on 8 December
Placing Shares credited to CREST stock accounts if the Resolutions are passed	8 December
Despatch of definitive share certificates for Placing Shares if the Resolutions are passed	by 22 December

Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (iii) The timing of the events in the above timetable and in the rest of this Document is indicative only.

PLACING STATISTICS

Issue Price per Placing Share under the Placing	210 pence
Number of Existing Ordinary Shares	70,814,707
Number of Placing Shares to be issued by the Company pursuant to the Placing	30,476,191
Gross proceeds received by the Company from the Placing	£64,000,001.10
Enlarged Share Capital following Admission	101,290,898
Percentage of Enlarged Share Capital represented by the Placing Shares	30.09%

DEFINITIONS

In addition to the terms defined elsewhere in this Document, the following definitions apply throughout this Document and the accompanying Form of Proxy, unless the context requires otherwise or unless specifically provided otherwise:

“Acquisition”	the acquisition by the Buyer (a wholly owned subsidiary of the Company) of the entire equity interest of the Target pursuant to the Acquisition Agreement
“Acquisition Agreement”	the share purchase agreement dated 19 November 2020 relating to the Acquisition, made between the Sellers, Uwe Schultze, the Buyer and the Company
“Additional Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice of General Meeting at the end of this Document numbered 3, 4, 5 and 6
“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on 8 December 2020
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for Companies published by London Stock Exchange
“B2B”	business to business
“Business Day”	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England
“Buyer”	Inspecs Limited (registered number 02245818)
“Canaccord Genuity”	Canaccord Genuity Group Inc.
“Company” or “Inspecs”	Inspecs Group plc (registered number 11963910)
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since) as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor

“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all-CREST personal members)
“Directors” or “Board”	the directors of the Company whose names appear on page 4 of this Document
“Document”	this document which for the avoidance of doubt does not comprise a prospectus (under the Prospectus Rules) or an admission document (under the AIM Rules)
“EBITDA”	earnings before interest, taxation, depreciation and amortisation
“Enlarged Group”	the Group, as enlarged by the Acquisition
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Admission
“EPS”	earnings per Ordinary Share
“ESG”	environmental, social and governance
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this Document
“Financial Conduct Authority”	the Financial Conduct Authority of the UK
“Form of Proxy”	the form of proxy accompanying this Document for use at the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“FY21”	the Group’s financial year ending on 31 December 2021
“General Meeting”	the general meeting of the Company as described in this Document, notice of which is set out at the end of this Document
“Group”	the Company and its subsidiary undertakings
“H2”	the period from 1 July to 31 December
“IPO”	the initial public offering of the Company in February 2020
“Issue Price”	210 pence per Placing Share
“Listing Rules”	the Listing Rules of the Financial Conduct Authority made in accordance with section 73A(2) of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the Official List of the Financial Conduct Authority
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Overseas Holders”	Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside the UK
“Peel Hunt”	Peel Hunt LLP
“Placing”	the proposed conditional placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement and which is conditional on, inter alia, the passing of the Resolutions
“Placing Agreement”	the conditional agreement dated 19 November 2020 and made between Peel Hunt and the Company in relation to the Placing, further details of which are set out in paragraph 5 of the letter from the Chairman of the Company set out in this Document

“Placing Shares”	the 30,476,191 new Ordinary Shares to be issued by the Company at the Issue Price, conditional on, inter alia, the passing of the Resolutions
“Prospectus Rules”	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
“Q1”	the period from 1 January to 31 March
“Resolutions”	the resolutions numbered 1 and 2 to be proposed at the General Meeting as set out in the notice of General Meeting at the end of this Document
“RIS”	a regulatory information service as defined by the Listing Rules
“Sellers”	the Sellers under the Acquisition Agreement, being Barclays Industrial Investments Limited (registered number 01444637), Equistone Founder Partners II Limited Partnership (registered number SL 5413), Equistone Partners Europe Fund II “A” L.P. (registered number LP 10190), Equistone Partners Europe Fund II “B” L.P. (registered number LP 10191), Equistone Partners Europe Fund II “C” L.P. (registered number LP 10192), Equistone Partners Europe Fund II “D” L.P. (registered number LP 10193), Equistone Partners Europe Fund II “E” L.P. (registered number LP 10194), Equistone Private Equity PVLP Limited Partnership (registered number LP 5691), Am Platzl Nominees GmbH (registered number HRB 142127), Parallel Ventures Nominees No. 2 Limited (registered number 03678495), Eurovent II SCCV (registered number 482287463), Dr Wolfgang Rebstock, Ingolf Knaup, Walter Eschenbach and Dr Thomas Luce
“Shareholders”	holders of Ordinary Shares
“Target” or “Eschenbach”	Eschenbach Holding GmbH (registered number HRB 23855 (with the commercial register of the Nuremberg local court))
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“USA” or “United States”	United States of America

LETTER FROM THE CHAIRMAN OF INSPECS GROUP PLC

(incorporated and registered in England and Wales under the Companies Act 2006 and registered with number 11963910)

Directors:

The Lord MacLaurin of Knebworth
Robin Totterman
Christopher Kay
Christopher Hancock
Richard Peck
Angela Farrugia

Registered Office:

7-10 Kelso Place
Bath, Somerset
United Kingdom
BA1 3AU

20 November 2020

Dear Shareholder

PROPOSED PLACING OF 30,476,191 NEW ORDINARY SHARES AT 210 PENCE PER ORDINARY SHARE AND NOTICE OF GENERAL MEETING

1. Introduction

The Company announced on 19 November 2020 that its wholly owned subsidiary, Inspecs Limited, had entered into a conditional sale and purchase agreement to acquire the whole of the equity interest of Eschenbach Holding GmbH and that the Company has conditionally raised gross proceeds of approximately £64 million pursuant to a placing to part fund the Acquisition. The Placing is conditional on, inter alia, the passing of the Resolutions at the General Meeting.

The purpose of this Document is to set out the background to and reasons for the Acquisition and the Placing, to give details of it and to recommend that you vote in favour of each of the Resolutions required to be passed to implement the Placing and also in favour of the Additional Resolutions.

2. Background to and reasons for the Acquisition and the Placing

The Buyer and the Company entered into the Acquisition Agreement on 19 November 2020, pursuant to which the Buyer has agreed to acquire all of the equity interest in the Target and the benefit of loans owed by the Target to the Sellers and one other individual, Uwe Schultze. The Buyer has agreed to pay cash consideration on completion of the Acquisition of approximately €94.85 million. The Sellers have given customary “no leakage” covenants in relation to the period from 31 December 2019 to completion of the Acquisition.

The Acquisition represents a key strategic step in the Company’s growth as a global, vertically integrated, eyewear firm. The Target’s established presence in the USA and continental Europe (in particular Germany and France) alongside its portfolio of ‘in house’ and licensed brands are complementary to Inspecs and will help position the Company as one of the leading eyewear companies in the world.

As set out at the time of IPO, the Company’s growth strategy includes identifying earnings accretive acquisition opportunities where the target has:

- i) its own proprietary brand, which can expand geographically; and/or
- ii) sales in a territory where Inspecs is under-represented; and/or
- iii) manufacturing capability that would be incremental to Inspecs’ capabilities.

The Board believes that the acquisition of the Target will deliver on all three of these objectives, while being earnings accretive in the first full financial year post-transaction.

The Acquisition is expected to deliver the following key benefits for Inspecs:

i) **Penetrate key global markets**

The Target is well established in Germany and the USA, two of the most important eyewear markets in the world, where Inspecs has historically been underrepresented. It is the number one supplier of prescription glasses in Germany and one of the leading independent eyewear

distributors in the USA. Globally, the Target has a network of more than 250 sales representatives, distributing into over 80 countries, and in excess of 40,000 points of sale. The Board believe that this extensive distribution network will provide a significant and immediate extension of the Company's presence internationally that might otherwise have taken several years and significant investment to build organically.

ii) **Revenue synergies**

The penetration of key global markets (as set out above) also provides Inspecs with the opportunity to supply selected existing Inspecs brands through the Target's distribution channels (and vice versa), especially in the USA, Germany and France. The Company also believes that some of the Target's brands are well-suited to being sold to Inspecs' existing customers.

In addition, the greater scale of the Enlarged Group is expected to make the Company a more attractive partner for larger global brands – offering Inspecs the opportunity to secure significant licences.

iii) **Diversified product and customer portfolio**

The Acquisition will help to manage Inspecs' risk profile by diversifying the Company's product and customer portfolio. The Target addresses the 'premium' segment of the frames market, while the Company's existing focus is on mid-market and entry-level priced products.

The Target will also broaden the Company's portfolio of customers, as it has strong relationships with a broad range of independent opticians and mid-sized retail chains beyond Inspecs' existing customers.

The Target also produces specialist optics products and the Company is assessing the opportunity to supply these additional product ranges to the Company's existing customers.

iv) **Cost synergies**

The Company will be able to utilise its manufacturing expertise in Asia to assist Eschenbach in providing cost synergies going forwards. The Company also expects there to be additional supply chain optimisation benefits through creating a lean global logistics and distribution network across the Enlarged Group.

v) **Strengthens the senior management team**

The Target's highly experienced senior management team (Dr. Jörg Zobel, CEO; Holger Maas, CFO; Matthias Anke, Managing Director of Optics in Germany; Scott Senett, CEO of Tura; and Ken Bradley, CEO of the US Optics Division) will join Inspecs following the Acquisition and continue to lead the business from Nuremberg and New York. The strength of their leadership, alongside continuity of management, will help mitigate risks arising through the integration process.

vi) **New business models**

The Acquisition presents opportunities to deliver innovative business models that broaden the Company's routes to market and enhance its product offering. These opportunities include:

- further development of an online B2B sales platform across the Enlarged Group;
- developing the Target's insurance business in the USA, whereby it acts as an approved supplier for certain medical insurers; and
- providing a complete frame and lens package to customers through the integration of its Norville lens manufacturing facility into the Company's frame supply chain and distributing through the Enlarged Group's distribution channels.

vii) **Enhances shareholder value with attractive financial returns**

The Board believe that the Acquisition will enhance shareholder value. It is anticipated that, based on the Company's base case assumptions and without any expected synergies, the

Acquisition will be EPS accretive in FY21, the first full financial year following the Acquisition. The Board believe there are opportunities for significant recurring synergies for both revenue and costs, as set out above.

The Directors intend to part fund the consideration for Acquisition through the net proceeds of the Placing. The balance of the consideration and the expenses of the Acquisition are being funded through borrowings under the Buyer's existing revolving credit facility with HSBC and out of the Group's existing cash resources. The existing debt of the Target and its subsidiaries will remain in place.

Pursuant to the terms of the Acquisition Agreement, the Acquisition is conditional upon: (i) clearance from the German Federal Ministry for Economic Affairs and Energy (the "**FDI Condition**"); (ii) satisfaction of a customary UK antitrust condition (the "**CMA Condition**"), and (iii) the passing of the Resolutions and the Placing Agreement having become unconditional (except for certain conditions relating to the Acquisition Agreement and Admission) and not having been terminated or lapsed (the "**Financing Condition**"). The parties may withdraw from the Acquisition Agreement if: (i) the FDI Condition or the CMA Condition is not satisfied within four months of entry into the Acquisition Agreement (or such other date as may be agreed between the Buyer and the Sellers) or, in respect of the CMA Condition, such condition is waived; or (ii) the Financing Condition is not satisfied within four weeks of satisfaction of the FDI Condition (or such other date as may be agreed between the Buyer and the Sellers). In the latter case, subject to certain exceptions, the Buyer will be liable to pay €6.5 million in liquidated damages to the Sellers and Uwe Schultze.

The Acquisition Agreement contains customary warranties from the Sellers relating to title and capacity as well as customary business and commercial warranties and a customary tax indemnity. The Sellers' liability is limited to breaches of title and capacity warranties, wilful deceit and wilful misconduct. Accordingly, the Buyer has obtained warranty and indemnity insurance in a customary amount in respect of the warranties and indemnities in the Acquisition Agreement.

The Acquisition Agreement also regulates the conduct of the business of Eschenbach until completion of the Acquisition.

The Company is jointly and severally liable for the Buyer's performance of its obligations and undertakings under the Acquisition Agreement.

The Sellers have undertaken to procure that Eschenbach's group companies will acquire the minority equity interests in certain subsidiaries of the Target with effect immediately prior to, or conditional upon, completion of the Acquisition.

The Acquisition Agreement is governed by German law.

In connection with the Acquisition, the existing facility agreement between (among others) the Buyer, the Company and HSBC UK Bank plc has been amended and restated to, among other things, increase the accordion option thereunder by \$10,000,000 to \$35,000,000 in order that a further loan of \$10,000,000 can be utilised by the Buyer towards the consideration, fees, cash and expenses payable by the Company in connection with the Acquisition.

The Enlarged Group's pro-forma net debt post the Acquisition is expected to be \$33.5 million versus the Group's net debt at 31 December 2019 of \$13.7 million. The Board is targeting a medium term net debt/EBITDA ratio of 1.5x and does not expect to pay a dividend in FY21.

3. Further information on the Target

The Target is a leading eyewear supplier headquartered in Nuremberg, Germany. It has two divisions, one focused on designing and distributing glasses frames (the "**Eyewear Division**") and one on designing, manufacturing and distributing specialist optics products (the "**Optics Division**"). The Eyewear Division generated approximately 78 per cent. of the Target's revenue in the year to 31 December 2019, while the Optics Division generated approximately 22 per cent. of such revenue.

The Eyewear Division currently supplies frames for over 15 brands, including both 'in house' and licensed brands. These brands are typically addressed to the 'premium' eyewear market. Eschenbach has won awards for the design of its frames, including being a 'German Design Award Winner' and 'Red Dot Award Winner' in 2020.

In 2019, the Target sold approximately 3.6 million frames.

The Optics Division produces vision technology (e.g. low vision aids) and consumer optics (e.g. binoculars), utilising the expertise of more than 70 in-house opticians. The division has a strong engineering pedigree and is a world leader in magnification.

The Target has a global distribution network, with over 250 sales representatives, more than 12 international subsidiaries and distribution into over 80 countries.

For the year ended 31 December 2019, the Target generated revenue of \$169.2 million, having grown revenue at a compound annual growth rate of 5.9 per cent. between 2017 and 2019. The table below summarises the results of the Target for the three years ended 31 December 2019, 31 December 2018 and 31 December 2017.

	<i>Year ended</i> <i>31 December</i> <i>2019</i>	<i>Year ended</i> <i>31 December</i> <i>2018</i>	<i>Year ended</i> <i>31 December</i> <i>2017</i>
<i>(\$m)</i>			
Revenue	169.2	154.6	150.9
EBITDA (excluding leasing costs)	12.2	8.0	3.4
Profit before tax	1.6	(1.6)	(7.9)

Notes:

- a) Revenue shown as net revenue.
- b) All data from audited Eschenbach accounts under German GAAP, except EBITDA (excluding leasing costs) which is derived from management accounts and not audited.
- c) Original currency was Euros, converted to USD at a fixed FX rate of €1:\$1.18 from Eschenbach's statutory financial statements and management accounts.

4. The Placing

The Company proposes to raise gross proceeds of approximately £64 million through the issue of the Placing Shares at the Issue Price. The Placing is not being underwritten.

The Company's existing share allotment authorities are insufficient to allow the Placing to proceed. Therefore, the Placing is conditional on the passing of the Resolutions.

If the Resolutions are not passed at the General Meeting, the Placing Shares will not be issued, the proceeds of the Placing will not be available to the Company and the Acquisition will not proceed.

The Issue Price of 210 pence per Placing Share represents a nil discount to the closing mid-market price per Ordinary Share of 210 pence on 18 November 2020, being the last trading day prior to announcement of the Placing. Following Admission, the Placing Shares will represent approximately 30.09 per cent. of the Enlarged Share Capital.

The Placing is conditional on, amongst other matters, the passing of the Resolutions at the General Meeting, and is expected to complete at 8.00 a.m. on 8 December 2020, being the expected date of Admission. The notice of General Meeting is set out at the end of this Document.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Subject to the passing of the Resolutions, it is expected that Admission will take place and that trading will commence on AIM at 8.00 a.m. on 8 December 2020.

Following the issue of the Placing Shares, it is expected that the Company will have 101,290,898 Ordinary Shares in issue.

5. Details of the Placing Agreement

On 19 November 2020, the Company and Peel Hunt entered into the Placing Agreement pursuant to which Peel Hunt agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for the Placing Shares pursuant to the Placing.

The Placing Agreement contains customary warranties and an indemnity from the Company in favour of Peel Hunt together with provisions which enable Peel Hunt to terminate the Placing in certain circumstances prior to Admission, including where any warranties are found to be untrue, inaccurate or misleading in any material respect or in the event of a material adverse change in the financial position or prospects of the Group in the context of the Placing or Admission.

The obligations of Peel Hunt under the Placing Agreement are conditional, inter alia, upon Admission occurring by 8.00 a.m. on 8 December 2020 (or such later date as Peel Hunt and the Company may agree).

The Placing Agreement provides for payment by the Company to Peel Hunt of commissions based on the number of Placing Shares placed by Peel Hunt multiplied by the Placing Price, payable on Admission.

The Company will bear all other expenses of, and incidental to, the Placing and the Acquisition, including the fees of the London Stock Exchange, printing costs, registrar's fees, and all legal and accounting fees of the Company.

6. Current trading

The Company

The Company published its interim results on 22 September 2020 for the period ending 30 June 2020. Since then it has continued to trade positively, in line with management's expectations. Despite some of the countries in which the Group operates reintroducing lockdown measures, opticians have mostly remained open and the Group's order book continued to grow in October 2020. The Group has maintained a reduced operating cost base during H2 2020 leading to increased efficiency across the Group.

Factory production has steadily increased from a low in early 2020 and the recent production rate at the factory in Vietnam was in line with the previous year. The recently completed adjacent factory in Vietnam is expected to start production in Q1 of 2021.

Investment in the Company's future remains a priority. A new 'house brand' made from fully sustainable and recycled materials is due to be launched in 2021 and is in line with the Company's continued ESG improvement policy. Investments in both the digital B2B platform launch and the Norville acquisition have seen encouraging results. Logistical and production efficiencies implemented at Norville have led to the business providing a positive EBITDA contribution to the Group in its first few months since acquisition in July 2020. The Norville acquisition also allows the Company to provide an integrated lens and frame offering to customers that is targeted for launch in 2021.

The Target

Eschenbach operates in broadly similar end markets to Inspecc, albeit with different geographical focus. As a result, its performance in 2020 has also been negatively affected by the COVID-19 pandemic. However, it has also demonstrated encouraging recent performance since lockdown measures have eased in these markets.

7. Management Incentivisation

The Company operates two incentivisation arrangements:

- a bonus plan under which annual cash bonuses may be awarded subject to the achievement of financial performance conditions (the "**Bonus Plan**"); and
- a share-based Long Term Incentive Plan ("**LTIP**") under which HMRC tax-qualified and non tax-qualified share options may be granted subject to the participant's continued employment over a three-year vesting period.

It is proposed that certain senior management of the Target will be invited to participate in the Bonus Plan and, on or shortly after Admission, will be granted options under the LTIP in respect of an aggregate of 840,000 Ordinary Shares. In addition, in order to incentivise the Company's existing senior management and executive and non-executive Directors, it is proposed that further LTIP options over an aggregate of 740,000 Ordinary Shares will be granted on or shortly after Admission. The option exercise price in respect of the proposed LTIP options described above will be equal to the Issue Price.

8. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at 7-10 Kelso Place, Bath, Somerset, United Kingdom, BA1 3AU at 10.30 a.m. on 7 December 2020 at which the Resolutions and the Additional Resolutions will be proposed.

Given the ongoing Covid-19 pandemic, and in accordance with measures currently imposed by the UK Government, the Board has decided to put in place special measures in relation to the General Meeting. Only the formal business (consisting of voting on the Resolutions and the Additional Resolutions) to meet the minimum legal requirements will be conducted and only those Shareholders nominated by the Board (expected to be two directors) to form the minimum quorum to hold the meeting will be permitted to attend. The General Meeting will be facilitated by the Company in line with the Government's social distancing guidelines. **Please do not attend the meeting in person. Anyone seeking to attend the meeting in person (other than those forming the quorum) will be refused entry.**

Instead, you should take the action set out in paragraph 11 below.

Inspecs has put in place measures to enable shareholders to follow the proceedings of the General Meeting via a conference call facility, if they wish to do so. Consequently, the Board requests that any Shareholders who wish to follow the proceedings please contact the Company before 10.30 a.m. on 3 December 2020 by emailing Investor.Relations@inspecs.com and expressing their wish to join the conference call. To receive the joining instructions, Shareholders will need to provide evidence of their holdings or a copy of a representation letter. The Company will carry out identity verification checks with its Registrar and once these are complete, joining instructions will be provided in advance of the General Meeting. Shareholders will not be able to ask questions or vote via the conference call facility. If you have a question in relation to the business of the General Meeting, please send it by email to Investor.Relations@inspecs.com. We will, to the extent appropriate and not already covered in publicly available materials, respond to them in due course. Please note all questions should be submitted by 10.30 a.m. on 3 December 2020.

9. Resolutions

The Resolutions are proposed in the notice of General Meeting as set out at the end of this Document. They are proposed as an ordinary resolution and a special resolution.

The Directors do not currently have sufficient authorities in place to undertake the Placing. Therefore, the Directors are seeking (i) authority to allot up to 30,476,191 new Ordinary Shares in order to effect the Placing, and (ii) a specific disapplication of the statutory pre-emption rights to allot the Placing Shares referred to at (i) above, to allow the Placing to proceed.

Shareholders should be aware that the issue of the Placing Shares cannot take place if either Resolution 1 or Resolution 2 is not passed. The passing of Resolution 2 is conditional on the passing of Resolution 1.

10. Additional Resolutions

The Directors believe it would also be prudent to update certain authorities granted at the Company's annual general meeting held on 30 June 2020 (the "2020 AGM") in light of the Placing. The authorities taken at the 2020 AGM were over the share capital at the time of the 2020 AGM. If the Placing proceeds, the share capital of the Company will be significantly in excess of the share capital at the time of the 2020 AGM. The Directors therefore propose that the Company refresh the authorities taken at the 2020 AGM such that they are taken over the Enlarged Share Capital.

The Additional Resolutions in respect of these authorities are set out in the notice of General Meeting as set out at the end of this Document. The Additional Resolutions are conditional upon Admission. A description of the Additional Resolutions is set out below.

Resolution 3 – authority to allot shares

Under the Companies Act 2006 the Directors may only allot shares (or grant certain rights over shares) with the authority of Shareholders in a general meeting (other than pursuant to an employee share scheme). In certain circumstances this could be unduly restrictive.

Resolution 3 in the notice of General Meeting will be proposed, as an ordinary resolution, to authorise the Directors to allot ordinary shares of 0.01p each in the capital of the Company up to a maximum nominal amount of £337,602.56 and up to a further maximum nominal amount of £337,602.56 where the allotment is in connection with an offer by way of a rights issue, representing approximately 33.33 per cent. and 33.33 per cent. respectively of the Enlarged Share Capital. The Company does not currently hold any shares in treasury. These limits are in accordance with guidelines issued by the Investment Association and market practice.

The authority conferred by the resolution will expire at the end of next year's annual general meeting or, if sooner, on 30 September 2021.

This authority also gives the Directors flexibility to issue shares where they believe it is in the best interests of the Company to do so.

Resolutions 4 and 5 – authority to disapply pre-emption rights

Unless they are given an appropriate authority by Shareholders, if the Directors wish to allot any shares, grant rights over any shares, or sell any treasury shares, in each case for cash (other than pursuant to an employee share scheme), they must first offer them to existing shareholders in proportion to their existing holdings. These are known as statutory pre-emption rights.

Resolutions 4 and 5 in the notice of General Meeting will be proposed, as special resolutions, to give the Directors power to allot shares without the application of these statutory pre-emption rights: first, in relation to offers of equity securities by way of rights issue, open offer or similar arrangements (save that, in the case of an allotment pursuant to the authority conferred by paragraph 3.2 of Resolution 3, such offer shall be by way of rights issue only); second, in relation to the allotment of equity securities for cash up to a maximum aggregate nominal amount of £50,645.44 (representing approximately five per cent. of the nominal value of the Enlarged Share Capital); and third, in relation to an acquisition or other capital investment as defined by the Pre-Emption Group's Statement of Principles, an additional five per cent. of the Enlarged Share Capital.

These limits are in accordance with guidelines issued by the Pre-Emption Group, Investment Association and market practice.

The Directors intend to adhere to the provisions in the Pre-Emption Group's Statement of Principles, as updated in March 2015, and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 4:

- (i) in excess of an amount equal to 5 per cent. of the total issued ordinary share capital of the Company excluding treasury shares; or
- (ii) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three-year period, without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority sought and limits set by this resolution will also apply to a sale by the Company of any shares it holds as treasury shares. The Companies Act 2006 permits shares purchased by the Company out of distributable profits to be held as treasury shares, which may then be cancelled, sold for cash or used to meet the Company's obligations under its employee share-based incentive schemes.

The power conferred by this resolution will expire at the end of next year's annual general meeting or, if sooner, on 30 September 2021.

Resolution 6 – Company's authority to purchase its own shares

At the 2020 AGM, the Company was authorised to make market purchases of up to 7,074,539 of its own ordinary shares. The Company has not made any purchases under this authority.

Resolution 6 in the notice of General Meeting, which will be proposed as a special resolution, will authorise the Company to make market purchases of up to 10,129,089 ordinary shares. This represents 10 per cent. of the Enlarged Share Capital. The maximum price that may be paid shall be the higher of (i) 5 per cent. above the average of the middle market quotations for an Ordinary Share for the five business days immediately before the day on which such share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case exclusive of all expenses). The minimum price which may be paid for each ordinary share shall be £0.01 (exclusive of all expenses).

The authority conferred by this resolution will expire at the end of next year's annual general meeting or, if sooner, on 30 September 2021.

Your Directors are committed to managing the Company's capital effectively. Although the Directors have no plans to make such purchases, buying back the Ordinary Shares is one of the options they keep under review.

11. Action to be taken in respect of the General Meeting

Shareholders should complete and submit the accompanying Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be received by the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by no later than 10.30 a.m. on 5 December 2020. **In light of the social distancing measures imposed by the UK Government as a result of the current COVID-19 pandemic, any proxy you appoint other than the chairman of the General Meeting will be refused entry to the General Meeting. You should therefore appoint the chairman of the general meeting as your proxy.**

CREST members can also appoint proxies by using the CREST electronic appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Equiniti Limited (under CREST participant RA19) by no later than 10.30 a.m. on 5 December 2020. The time of receipt will be taken to be the time from which Equiniti Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Shareholders are reminded that the Placing is conditional, inter alia, on the passing of the Resolutions to be proposed at the General Meeting. Should the Resolutions not be passed, neither the Acquisition nor the Placing will proceed and any associated subscription monies in respect of the Placing Shares will be returned to investors.

12. Related party transactions

As set out below, all the Directors or their associates (as defined under the AIM Rules) have agreed to subscribe for a total of 709,518 Placing Shares pursuant to the Placing. The Directors and their associates (acting together) will be treated as a "related party" and their participation in the Placing as a "related party transaction" for the purposes of Rule 13 of the AIM Rules.

Canaccord Genuity is a substantial shareholder in the Company (as defined under the AIM Rules) and has agreed to subscribe for a total of 4,558,723 Placing Shares in the Placing. Canaccord Genuity will therefore also be treated as a "related party" and its participation in the Placing as a "related party transaction" for the purposes of Rule 13 of the AIM Rules.

In lieu of any independent directors' recommendation in relation to i) the Directors' and their associates', and ii) Canaccord Genuity's participation in the Placing, in order to provide a statement as to what is fair and reasonable, Peel Hunt, in its capacity as "nominated adviser" to the Company for the purposes of the AIM Rules, considers that the participation in the Placing by: i) the Directors and their associates; and ii) Canaccord Genuity is fair and reasonable insofar as the shareholders of the Company are concerned.

The individual subscriptions for the participating Directors and their associates is set out below:

<i>Director or their associate</i>	<i>Number of Placing Shares acquired</i>
Julia Totterman (associate of Robin Totterman)	476,190
Christopher Kay	71,428
Catherine Kay (associate of Christopher Kay)	59,523
Christopher Hancock	4,761
Kathleen Hancock (associate of Christopher Hancock)	4,761
The Lord MacLaurin of Knebworth	47,619
Lady Paula MacLaurin (associate of The Lord MacLaurin of Knebworth)	23,809
Angela Farrugia	11,904
Richard Peck	9,523
Total	<u>709,518</u>

Following Admission, the holdings of each of the Directors and their associates will be as follows:

<i>Director</i>	<i>Existing shareholding (Number of Ordinary Shares)</i>	<i>Number of Placing Shares acquired</i>	<i>Shareholding on Admission (Number of Ordinary Shares)</i>	<i>Shareholding on Admission (%)</i>
Robin Totterman	18,904,858	476,190	19,381,048	19.13
Christopher Kay	2,060,475	130,951	2,191,426	2.16
Christopher Hancock	6,918	9,522	16,440	0.02
The Lord MacLaurin of Knebworth	6,918	71,428	78,346	0.08
Angela Farrugia	0	11,904	11,904	0.01
Richard Peck	0	9,523	9,523	0.01
Total	<u>20,979,169</u>	<u>709,518</u>	<u>21,688,687</u>	<u>21.4</u>

13. Irrevocable undertakings

The Directors who hold Ordinary Shares have irrevocably undertaken to vote in favour of the Resolutions and the Additional Resolutions in respect of their own beneficial shareholdings, amounting to approximately 29.62 per cent. of the Existing Ordinary Shares.

14. Recommendation

The Directors believe the Placing to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions and the Additional Resolutions as they have irrevocably undertaken to do in respect of their own beneficial shareholdings, amounting to approximately 29.62 per cent. of the Existing Ordinary Shares.

Yours faithfully

The Lord MacLaurin of Knebworth
Chairman

NOTICE OF GENERAL MEETING

Inspects Group plc

(incorporated and registered in England and Wales under the Companies Act 2006 and registered with number 11963910)

NOTICE is hereby given that a general meeting of Inspects Group plc will be held at 7-10 Kelso Place, Bath, Somerset, United Kingdom, BA1 3AU on 7 December 2020 at 10.30 a.m. (the “**General Meeting**”) to consider and, if thought fit, pass the following resolutions, of which resolutions numbered 1 and 3 will be proposed as ordinary resolutions and resolutions numbered 2, 4, 5 and 6 will be proposed as special resolutions.

Capitalised terms not otherwise defined in this Notice of General Meeting shall have the meaning given to them in the Circular (as defined below).

1. That, subject to and conditional upon the passing of Resolution 2, the Directors be and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”), in addition to all existing authorities (and, for the avoidance of doubt, without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities), to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £304,761.91 pursuant to the Placing as detailed in the circular to shareholders of the Company dated 20 November 2020 (the “**Circular**”), such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require shares to be allotted after this authority expires and the Directors may allot shares in pursuance of such offer or agreement as if this authority had not expired.
2. That, subject to and conditional upon the passing of Resolution 1, the Directors be and they are hereby empowered, pursuant to section 570 of the Act, to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 as if section 561 of the Act did not apply to any such allotment, such authority to expire immediately following Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require equity securities to be allotted after this authority expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this authority had not expired.
3. That, subject to the passing of Resolutions 1 and 2 above, immediately following the expiry of the authority provided by Resolution 1, the Directors be and hereby are generally and unconditionally authorised pursuant to section 551 of the Act, in substitution for all existing authorities (but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities), to exercise all the powers of the Company to allot:
 - 3.1 shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“**Relevant Securities**”), up to a maximum aggregate nominal amount of £337,602.56; and further
 - 3.2 Relevant Securities comprising equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £337,602.56 in connection with an offer by way of a rights issue in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares, but subject to such exclusions, limits, restrictions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange or any other matter;

for a period expiring (unless previously revoked, varied or renewed) at the end of the next annual general meeting of the Company or, if sooner, on 30 September 2021, but in each case such that the Company may, before such expiry, make an offer or agreement which would or might require Relevant Securities to be allotted after this authority expires and the Directors may allot Relevant Securities in pursuance of such offer or agreement as if this authority had not expired.

4. That, subject to the passing of Resolution 3 above, immediately following the expiry of the authority provided by Resolution 2 above and in substitution for all existing authorities (but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities), the Directors be empowered pursuant to section 570 and section 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 3 as if section 561(1) of the Act did not apply to such allotment, provided that this power shall expire at the end of the next annual general meeting of the Company or, if sooner, on 30 September 2021. This power shall be limited to the allotment of equity securities:

4.1 in connection with an offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement save that, in the case of an allotment pursuant to the authority conferred by paragraph 3.2 of Resolution 3, such offer shall be by way of rights issue only) in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares but subject to such exclusions, limits, restrictions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange or any other matter; and

4.2 otherwise than pursuant to paragraph 4.1 up to an aggregate nominal amount of £50,645.44,

but such that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after this power expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words “pursuant to the authority conferred by Resolution 3” were omitted.

5. That, subject to the passing of Resolution 3 above, immediately following the expiry of the authority provided by Resolution 2 above and in addition to the authority conferred by Resolution 4 above but otherwise in substitution for all existing authorities (but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities) the Directors be empowered pursuant to section 570 and section 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 3 as if section 561(1) of the Act did not apply to any such allotment, such power to be:

5.1 limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £50,645.44; and

5.2 used only for the purposes of financing (or refinancing, if the power is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice, provided that this power shall expire (unless previously revoked, varied or renewed) at the end of the next annual general meeting of the Company or, if sooner, on 30 September 2021, but such that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after this power expires, and the Directors may allot equity securities pursuant to any such offer or agreement as if this power had not expired.

This power applies in relation to a sale of shares which is an allotment of securities by virtue of section 560(3) of the Act as if, in the first paragraph of this resolution, the words “pursuant to the authority conferred by Resolution 3” were omitted.

6. That, subject to the passing of Resolutions 1 and 2 above, immediately following the expiry of the authority provided by Resolutions 1 and 2 above, the Company be generally and unconditionally authorised pursuant to section 701 of the Act, in substitution for all existing authorities (and, for the avoidance of doubt, without prejudice to any market purchase of shares already made, offered or agreed to be made pursuant to such authorities), to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of £0.01 each on such terms and in such manner as the Directors shall determine, provided that:
- 6.1 the maximum number of ordinary shares hereby authorised to be purchased is 10,129,089;
 - 6.2 the maximum price which may be paid for each ordinary share shall be the higher of (i) 5 per cent. above the average of the middle market quotations for an ordinary share (as derived from The London Stock Exchange Daily Official List) for the five business days immediately before the day on which such share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out (in each case exclusive of all expenses);
 - 6.3 the minimum price which may be paid for each ordinary share shall be £0.01 (exclusive of all expenses); and
 - 6.4 this authority (unless previously revoked, varied or renewed) shall expire at the end of the next annual general meeting of the Company or, if sooner, on 30 September 2021 except in relation to the purchase of ordinary shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry, where the Company may make a purchase of ordinary shares in pursuance of any such contract or contracts.

By Order of the Board

Elliott Smith
Company Secretary

Inspeps Group plc
7-10 Kelso Place
Bath, Somerset
United Kingdom
BA1 3AU

Dated 20 November 2020

Notes:

Rights to appoint a proxy

1. Members of the Company entitled to attend and vote are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote at a meeting of the Company.
2. If you appoint the chairman of the meeting as your proxy, this will ensure your votes are cast in accordance with your wishes given that **the UK Government's current restrictions mean that neither you nor any other person you might appoint as your proxy will be able to attend the meeting in person**. Appointing a proxy in this way will not prevent you from attending and voting at the General Meeting in person should the situation and the applicable restrictions change such that you are permitted to, and you subsequently wish to, do so.

Procedure for appointing a proxy

3. A proxy form which may be used to make such appointment and give proxy directions accompanies this notice. Details of how to appoint a proxy are set out in the notes to the proxy form. If you do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact Equiniti Limited on 0371 384 2030 or from overseas on +44(0) 121 415 7074. Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. As an alternative to completing a hard copy proxy form, proxies may be appointed electronically in accordance with note 4 below.
4. To be valid, the proxy form must be returned (together with any power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority) by one of the following methods:
 - 4.1 in hard copy form by post or (during normal business hours only) by hand at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or

4.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case so as to be received by no later than 10.30 a.m. on 5 December 2020. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

5. The return of a completed proxy form, appointing a proxy electronically, or any CREST Proxy Instruction (as described in note 12 below) will not preclude a member from attending the General Meeting and voting in person if he or she wishes to do so. If a member has appointed a proxy and attends the General Meeting in person, the proxy appointment will automatically be terminated. **However, in light of social distancing measures imposed by the UK Government as a result of the current COVID-19 pandemic, any member attempting to attend the General Meeting in person will be refused entry to the meeting.**

Changing or revoking proxy instructions

6. To change your proxy instructions simply submit a new proxy appointment using the methods set out in note 4 above. Any amended proxy appointment must be received no later than the time referred to in note 4 above and any amended proxy appointment received after the relevant cut-off time will be disregarded.
7. If you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Equiniti Limited on 0371 384 2030 from the UK or from overseas on +44 (0) 121 415 7047 and ask for another proxy form.
8. If you submit more than one valid proxy appointment in respect of the same share for the purposes of the same meeting, the appointment last delivered or received shall prevail in conferring authority on the person named in it to attend the meeting and speak and vote.
9. In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment to the address in note 4 above (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a certified copy of such power or authority). The revocation notice must be received no later than 10.30 a.m. on 5 December 2020.
10. If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid.

Record date

11. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), members must be registered in the register of members of the Company at close of business on 5 December 2020 (or, in the event of any adjournment, the date which is two days before the time of the adjourned meeting, provided that no account shall be taken of any part of a day that is not a working day). Changes to the register of members after the relevant deadline will be disregarded in determining the right of any person to attend and vote at the meeting. **You are reminded that, in light of social distancing measures imposed by the UK Government as a result of the current Covid-19 pandemic, any member seeking to attend the meeting in person will be refused entry.**

CREST proxy appointments

12. 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). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

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 constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the "issuer's agent" (ID **RA19**) by no later than 10.30 a.m. on 5 December 2020 (or, in the event of an adjournment, 48 hours before the time fixed for the adjourned General Meeting, provided that no account shall be taken of any part of a day that is not a working day). 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 required 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 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(s), 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 service 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) Uncertificated Securities Regulations 2001.

Corporate representatives

13. Any corporation which is a member can 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. **However, you are reminded that, in light of social distancing measures imposed by the UK Government as a result of the Covid-19 pandemic, any such corporate representatives will be refused entry to the meeting.**

Communications

14. Members who have general enquiries about the meeting should use the following means of communication. No other means of communication will be accepted. You may call our shareholder helpline on 0371 384 2030 from the UK or from overseas on +44(0) 121 415 7047. Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. Monday to Friday excluding public holidays in England and Wales.
15. You may not use any electronic address provided in this notice of General Meeting or any related documents (including the proxy form) for communicating with the Company for any purposes other than those expressly stated.
16. Please note that the Company takes all reasonable precautions to ensure no viruses are present in any electronic communication it sends out, but the Company cannot accept responsibility for loss or damage arising from the opening or use of any email or attachments from the Company and recommends that members subject all messages to virus checking procedures prior to use. Please note that any electronic communication received by the Company that is found to contain any virus will not be accepted.

