

# DJ High Growth Capital Plc GM, Board Changes, Placing and Investment

TIDMHASH

10 October 2018

High Growth Capital plc

("HASH" or the "Company")

Notice of GM, Board Changes, Premium Placing and Investment under New  
Investment Strategy in the Artificial Intelligence Sector

#### Highlights

- Conditional Placing to raise GBP500,000 gross, at a price of 0.8 pence per placing share;
- Proposed placing price represents a premium of approximately 77 per cent. to the closing mid-market price of 0.45 pence per Ordinary Share on 8 October 2018, being the latest practicable date prior to the publication of this announcement;
- Proposed acquisition of holding in major European artificial intelligence software business;
- Board changes, including appointment of new Non-executive Chairman; and
- Proposed enlargement of Company's Investment Strategy.

#### General Meeting

The Company announces that it has today posted a circular and Notice of General Meeting ("GM") to shareholders of the Company ("Circular"). The GM will be held at 11.00 am on 5 November 2018, at the offices of Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London, EC2M 7LD.

The GM will consider, inter alia, an amendment to the Investment Strategy, an investment into Sentiance N.V., a Belgian based artificial intelligence software developer, and the disapplication of pre-emption rights.

A copy of the Interim Chairman's letter, the expected timetable of principal events and definitions sections contained in the Circular are set out in full below of this announcement without material amendment or adjustment.

A copy of the Circular can be found at <https://www.gotechgroup-plc.com/>. Terms defined in the Circular have the same meaning in this announcement.

#### Placing

Conditional on passing the Resolutions at the GM, the Company has raised gross proceeds of GBP500,000 through the issue of 62,500,000 Placing Shares at a price of 0.8 pence per Placing Share. The participants in the placing will also receive 100,000,000 Warrants, each entitling the holder to subscribe for one New Ordinary Share at a price of 1p per share for a period of 24 months from passing of the Resolutions at the General Meeting.

The Placing Shares will represent 2.16 per cent. of the Enlarged Share Capital

and will be issued and credited as fully paid and will rank pari passu in all respects with the New Ordinary Shares comprised in the Enlarged Share Capital, including rights to future dividends.

## Board Changes

The Company announces that Mr Malcolm Burne has resigned as a Director of the Company.

Mr Burne was appointed following a significant investment in the Company, which he was instrumental in restructuring, via an equity raise at a substantial premium to net asset value and a move from the AIM market to the NEX Exchange Growth Market.

The Company's initial new investment strategy was to track the growth of listed securities in the medicinal cannabis sector. However the board had also agreed to widen the investment strategy to other new economy and mega trends investments.

Mr Burne is engaged in many new technology disruptive investments via managed funds and is likely to be conflicted going forward hence he thought it wise to remove himself from the board earlier rather than later.

The board would also like to announce the resignation of Professor Michael Cain. Mike was principally involved in the historical acquisitions of the business, prior to restructuring the Company, and the Company takes this opportunity to thank him for his contribution to the Company.

Mr Jens Zimmerman (aged 50)

Mr Jens Zimmerman will be appointed to the board as a non-executive Chairman, conditional on the passing of the Resolutions at the GM.

Jens Y. Zimmerman has been a Partner & Managing Director at New Silk Route Growth Capital, a USD 1.3bn Private Equity fund manager focused on consumer industries in Emerging Asia. Prior to New Silk Route, he co-founded South Asia Equity Partners and before that he co-founded HGU Hamburg Private Equity AG. He is involved in a portfolio of investment projects across different sectors and geographies.

Jens has over 25 years of direct investment experience across North America, Europe, Asia and the Middle East. He has founded over 20 companies, led over 50 investments and served on a number of boards. He has a special passion for education where he has led iconic investments and serves on the boards of several globally leading private and public education groups.

Jens holds an MBA from the Harvard Business School and a BA from the University of Hamburg in Germany. He is a co-founder of the Harvard Business School Alumni Clubs of Germany as well as the GCC (out of Dubai). He is also a former professional athlete.

Current Directorships and Partnerships

Advtech Ltd

Education Services Ltd

Past Directorships and Partnerships over the last 5 years

Taylors Education Group

Varsity Management

There is no further information regarding Mr Zimmerman that is required to be disclosed pursuant to Paragraph 21, Appendix 1 of the NEX Exchange Growth Market - Rules for Issuers.

#### Proposed Investment and Investment Strategy

The Company also announces that it has entered into a conditional Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the entire issued share capital of HGC Investco 1 Ltd for a consideration comprising the issue of 2,500,000,000 Consideration Shares, credited as fully paid up. HGC Investco 1 Ltd is a special purpose vehicle which exists for the sole purpose of holding an investment comprising approximately 9.8% of the current issued share capital of Sentiance N.V. Sentiance is based in Belgium and engaged in the development of artificial intelligence software, machine learning and contextual behaviour data science. Further details are set out in the Circular to Shareholders of today's date.

The Company will continue to seek investments under its new proposed Investment Strategy in the new technology and content disruptive investment arena, including artificial intelligence.

The Directors of the Company accept responsibility for the content of this announcement.

#### Contact details:

The Company	Rupert Horner	+44 (0)7872 571 31
NEX Exchange Corporate Adviser	Peterhouse Capital Limited Guy Miller and Eran Zucker	020 7220 9795

#### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	10 October 2018
Posting to Shareholders of this Document	11 October 2018
Latest time and date for receipt of Forms of Proxy	11.00am on 1 November 2018
General Meeting	11.00am on 5 November 2018
Admission of the New Ordinary Shares to trading on NEX	8.00 a.m. on 5 November 2018

#### DEFINITIONS

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

"Acquisition"	the acquisition of the entire share capital of HGC Investco 1 Ltd, whose sole asset is 9,334 shares in Sentiance N.V.;
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"Act"	the Companies Act 2006 (as amended);
"Admission"	admission of the New Ordinary Shares of the Company to trading on the NEX Exchange Growth Market becoming effective in accordance with the NEX Exchange Rules
"AIM"	the market of that name operated by the London Stock Exchange;
"Articles"	the articles of association of the Company as at the date of this Document;
"Board" or "Directors"	the directors of the Company as at the date of this Document, whose names are set out on page 4 of this Document;
"Company" or "High Growth"	High Growth Capital plc, a public limited company incorporated in England and Wales under registered number 03904514 and having its registered office at 27/28 Eastcastle Street, London, W1W 8DH;
"Consideration Shares"	2,500,000,000 New Ordinary Shares issued credited as fully paid;
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form;
"Document"	this document and its contents;
Enlarged Share Capital	the existing Ordinary Shares and the New Ordinary Shares, being the issued share capital of the Company following the passing of the Resolutions at the GM
"FCA"	The Financial Conduct Authority;
"Form of Proxy"	the form of proxy enclosed with this Document for use by Shareholders in connection with the General Meeting;
"General Meeting" or "GM"	the general meeting of the Company convened for 11.00 a.m. on 5 November 2018, notice of which is set out at the end of this Document;
"Investment Strategy"	the proposed new investment strategy, further

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	details of which are set out on page 5 of this Document;
"London Stock Exchange"	London Stock Exchange plc;
"New Ordinary Shares"	the 2,562,500,000 Ordinary Shares comprising the Consideration Shares and the Placing Shares;
"NEX Exchange"	NEX Exchange Limited, a recognised investment exchange under section 290 of FSMA;
"NEX Exchange Growth Market" or "NEX"	the primary market for unlisted securities operated by NEX Exchange;
"NEX Exchange Rules" or "NEX Rules"	the NEX Exchange Growth Market Rules for Issuers, which set out the Admission requirements and continuing obligations of companies seeking Admission to and whose shares are admitted to trading on the NEX Exchange Growth Market;
"Notice of GM"	the notice convening the GM, which is set out at the end of this Document;
"Ordinary Shares"	the ordinary shares of 0.1 pence each in the capital of the Company from time to time;
"Placing"	means the placing to raise GBP500,000 before expenses;
"Placing Price"	0.8 pence per Placing Share
"Placing Shares"	the 62,500,000 New Ordinary Shares to be issued in connection with the Placing;
"Proposed Director"	Jens Zimmerman;
"Recognised Investment Exchange"	a recognised investment exchange under section 290 of FSMA;
"Resolution"	the resolutions set out in the Notice of GM to approve, inter alia, the change of Investment Strategy, the Placing and the Share Incentive Scheme;
"Sentiance"	Sentiance N.V.
"Sentiance Shareholders Agreement"	Means the shareholders agreement relating to Sentiance to which HGC Investco 1 Limited will be a party at completion of the Proposals;
"Shareholders"	holders of Ordinary Shares from time to time and the term "Shareholder" shall be construed accordingly;
"Share Incentive Scheme"	a new share incentive scheme, the rules of which are summarized in part 4 of this Document, for which Shareholder approval is sought;

"SRUKAIFM" a Small Registered UK Alternative Investment Fund Manager, being an internally managed AIFM, with less than EUR100 million of funds under management;

"United Kingdom" or "UK" the United Kingdom of Great Britain and Northern Ireland;

"Vendor" Monchhichi plc

"Warrants" the 125,000,000 warrants to be issued in connection with the Placing each entitling the holder to subscribe for one New Ordinary Share at a price of 1p per share for a period of 24 months commencing upon passing of the Resolutions;

"GBP" pounds sterling, the lawful currency of the United Kingdom; and

"EUR" euro, the lawful currency of the Eurozone in the European Union.

LETTER FROM THE INTERIM CHAIRMAN OF HIGH GROWTH CAPITAL PLC

(A company incorporated in England and Wales with registration number 03904514)

Directors:

Registered Office:

Marcus Yeoman (Interim Non-Executive Chairman)

27/28 Eastcastle Street

Rupert Horner (Finance Director)

London

W1W 8DH

Dear  
Shareholder,  
10 October 2018

NOTICE OF GENERAL MEETING PROPOSALS FOR:

Proposed Placing of 62,500,000 New Ordinary Shares  
at 0.8 pence per New Ordinary Share  
Proposed acquisition of HGC Investco 1 Limited

Change of Strategy  
and  
Notice of General Meeting

Introduction

The Company announced today that it was seeking to raise GBP500,000 and at the same time making a significant investment in Sentiance N.V. (by the acquisition of the entire issued share capital of HGC Investco 1 Limited) for the issue to the vendor of 2,500,000,000 Consideration Shares credited as fully paid. The purpose of this letter is to explain the background to the Placing and the Acquisition and the reasons why the Directors unanimously consider it to be in the best interests of the Company and its Shareholders as a whole and to seek your approval for the Placing at the General Meeting convened for this purpose (the "Proposals"). The Proposals also include a change of strategy to focus upon further complimentary technology, content and internet investments that overtime have the ability to emerge as market leaders in their respective field of expertise. The notice of the General Meeting is set out at the end of this Document.

In order to fund the Enlarged Group's further near term development, including its working capital needs, as well as the costs associated with the Proposals, the Company has also today announced the Placing. Further details of the Placing are set out below.

The number of Consideration Shares and Placing Shares to be issued exceeds the limits of the Company's existing share authorities and is therefore subject to the approval of Shareholders at the General Meeting. Further details of the terms and conditions of the Acquisition are set out in Part 4. Further details of the General Meeting are set out in paragraph 12 of this Part I.

Upon implementation of the Proposals, the Consideration Shares due to the vendor will be delivered to its shareholders (pro rata their shareholdings in the Vendor. Concurrently with the Proposals being put to Shareholders, the vendor will convene its own shareholder meeting to seek approval that the vendor is wound up on a members voluntary basis.

The purpose of this Document is to provide Shareholders with further information regarding the matter described above and to seek Shareholder approval of the Resolutions at the General Meeting, notice of which is set out at the end of this Document. Irrevocable undertakings to vote in favour of the Resolutions have been obtained, details of which are set out in paragraph 11 of this Part I.

If the Resolutions are approved, it is expected that Admission will become effective and that dealings in the Consideration Shares and the Placing Shares will commence on NEX at 8.00am on 5 November 2018.

#### Background on the Company

The Company was re-admitted to trading on AIM as Guscio plc in May 2016, following the acquisition of Sportsdata Limited and Dataplay Holdings Limited (the "Business"). In 20 December 2017, the Company announced that it would cease to actively promote the Business. As a consequence of these actions, the Company was deemed to have become an AIM Rule 15 Cash Shell under the AIM Rules. Further, on 23 April 2018, the Company disposed of the Business to Starnevesse for a consideration of GBP1.00.

After becoming an AIM Rule 15 Cash Shell, the Directors sought to engage with and evaluate multiple reverse takeover opportunities, but none have satisfied the Board's acquisition criteria. The costs associated with maintaining Admission of the Ordinary Shares to trading on AIM (including professional, legal, accounting, broker and nominated adviser costs and fees of the London



Stock Exchange) were considered disproportionate to the value provided by Admission. Accordingly, the Board considered alternative proposals and opportunities and, following this evaluation, the Board believed that the Company should reposition itself as an investment vehicle to be able to take advantage of the growing market of medicinal cannabis and other related cannabis or hemp products.

As the Company could not satisfy the Investing Company criteria under the AIM Rules and considered that the costs of maintaining its admission to trading on AIM had become untenable for a company of its size, the Board considered that NEX is a more appropriate market for the Ordinary Shares to trade and on 15 June 2018 put proposals to Shareholders to cancel the AIM listing and seek admission to NEX. These proposals were approved by Shareholders and the Ordinary Shares commenced trading on NEX on 25 June 2018.

### 3. Proposed Investment Strategy

The Company will engage in seeking complementary disruptive investments in technology, content and internet investments that, over time, have the ability to emerge as market leaders in their areas of focus and application.

### 4. Information on Sentiance N.V.

To date, the availability of meaningful medicinal cannabis investment has been somewhat limited. Accordingly when the Directors were approached with the Sentiance investment opportunity they saw this as an equally compelling chance to establish an initial position in the artificial intelligence space which also, in the opinions of the Directors, presents excellent growth and value creation opportunities.

Sentiance is based in Belgium and engaged in the development of artificial intelligence software, machine learning and contextual behaviour data science. The vendor directly invested EUR7.0m (GBP6.4 million) in a Series "G" round equity financing alongside a further small co-investment from KPN Venture BV, the investing arm of KPN, the largest telecoms and IT service provider in the Netherlands. Other investors in earlier fundraising rounds include Samsung

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Electronics and a range of well-known VC funds including Volta Ventures. The investment is equal to approximately 9.8% of the current issued equity capital of Sentiance.

#### (a) Background

Sentiance created and owns sensor data analytics technology which it licenses to its clients in order for them to better understand their users' behaviours. This is achieved through the use of a software development kit ("SDK") licensed by Sentiance, which is embedded into clients' applications, and sends the raw data to be analysed to the Sentiance platform. Sentiance recreates users' daily routines and sends the data in real time to its clients. Such data, once processed and analysed by the platform, is sent back to the clients allowing them to enhance their services and products by better tailoring them to users.

#### (b) Data used by Sentiance

Smart devices have sensors generating data about users' behaviour (i.e. Internet of Things sensor data). Such sensors are located in smartphones (e.g. GPS, gyroscope and accelerometer), wearable devices (e.g. biometrics and vital signs) and in-home sensors (e.g. motion sensors and smart appliances).

#### (c) How Sentiance uses data

The Sentiance platform is capable of accessing the raw sensor data from smart devices and using that data to better understand users' behaviours. In doing so, it helps companies know their users on three levels:

- "behavioural segments" - this data is raw data that has been refined by Sentiance and is comprised of "base level events" also called "behavioural segments" that are factual statements, e.g. the user is at a school building at a specific time;
- "contextual moments" - these are extrapolated habits and behaviours set in a context, e.g. the user is a parent of a student at the school; and
- "situational events" - these are richer user profiles drawing on broader data and analysis, e.g. the parent is a full time worker, early riser, and gym enthusiast.

#### (d) The Sentiance solutions

To benefit from Sentiance's data analytics tools, companies must embed Sentiance's SDK in their mobile applications. The SDK is available for iOS and Android. Sentiance also provides a RESTful application programming interface ("API") assisting its customers' programmers in the creation of applications integrating the SDK into their own applications (regardless of the programming language or system). The SDK sends raw sensor data (e.g. time, location, motion) from the users' devices to the Sentiance platform, which is hosted on Amazon's virtual private servers (provided by Amazon Web Services).

#### (e) Industries and sectors

Sentiance's data analytics tools are aimed at several markets and sectors:

- Insurance - to enhance risk profiling and coach users to live safer/healthier lives;

- o Car: using driver scoring, mobile phone related distraction, individual driving events, out of car context;
- o Health: tailoring coaching and treatments to individual lifestyles, improving real time health nudges, assessing risks based on daily routines and lifestyle, engaging users through in depth behavioural feedback;
- o Home: monitoring in home activity, assessing risk based on in home behaviour, automating home settings to reduce risk, detect in home anomalies;
  - Health - to provide personalised care adherence, health coaching and assisted living services;
- o Wellness and adherence coaching: tailoring messaging to observed and predicted moments through the day, optimising timing of messaging, adapting coaching to lifestyle and routine, pro-actively detecting behaviour changes;
- o Remote monitoring and assisted living: establishing patterns and routines, identifying deviations from behavioural norms to predict critical issues, detecting anomalies real time to enable interventions;
  - Commerce - to optimise customer experiences through personalisation and real-time customer engagement;
- o Client journey management: mapping individual customer journeys based on real observed data, detecting moments of truth and interacting with customers real time, personalising interactions based on context and profiles, automating journey management through real time data feed;
- o Contextual marketing: targeting individual customers, personalising offers, creative, channels, enriching existing marketing database;
- o Behavioural research: automating data collection for panels, reducing costs of data collection, building profiles and context in a few weeks, gathering observed data in addition to declared data;
  - Mobility - to provide driver and rider tracking, smart mobility recommendations and optimise the commuter experience by tailoring to individual needs and travel patterns;
- o Fleet management and ride sharing: using driver scoring, mobile phone related distraction, individual driving events, out of car context;
- o Multimodal mobility management: using multimodal transport classification, mapping mobility patterns of users, developing new mobility-as-a-service solutions tailored to needs and patterns;
  - Connected Car - to personalise end-to-end car experience by tailoring present controls on electronic equipment and recommendations based on driver profiles and real-time context;
- o Personal assistance: analysing the in and out of car context of the driver, tailoring in car experience to context;
- o Driver profiling: using driver scoring, mobile phone related distraction, individual driving events;

- Smart Home - to empower appliances that learn and adapt to human behaviour and context;
  - o Smart security and automation: learning in home habits and context, developing smart home products that adapt to the in home context, adapting in home experiences based on out of home context;
  - o Assisted living: establishing patterns and routines, identifying deviations from behavioural norms to predict critical issues, detecting anomalies real time to enable interventions;
- Smart City - to analyse computer, visitor and resident behaviours in order to optimise urban experience;
  - o Smart city services and mobility: detecting activity patterns, mapping mobility patterns of residents and visitors, predicting mobility flows, monitoring anomalies for real time intervention.

(f) Privacy and data protection

The Sentiance solutions are compliant with European and international privacy and data protection regulations. No data is collected without the users' explicit consent (obtained through acceptance of the user-facing privacy policy [1]). The data collected is limited to what is strictly necessary in order to fulfil the purposes of the Sentiance solutions.

The data collected is encrypted and pseudonimised both on the users' devices and when transferred. The customers remain the data controllers, and Sentiance processes the data under its clients' instructions.

Reasons for the Acquisition

Whilst an investment in Sentiance is a departure from the adopted investing strategy, the Directors consider this a compelling chance to establish an initial position in the artificial intelligence space which also, in the opinions of the Directors, presents excellent growth and value creation opportunities.

The Directors consider that the opportunity represented by the Acquisition is in the best interests of the Company and Shareholders for the following reasons:

- The Sentiance Investment gives Shareholders exposure to the rapidly evolving market for artificial intelligence tools and services;
- Sentiance's technology is independently validated by its growing number of internationally recognised clients and partners;
- Sentiance has a highly experienced and proven management team who between them have a track record of developing novel software products and solutions; and
- The Sentiance investment is a practical stepping stone to additional meaningful and complementary investments under the Proposed Investment Strategy.

Proposed Directors and Board changes

## Directors

The Board currently comprises the following:

Rupert Homer, Finance Director

Marcus Yeoman, (Interim Non-Executive Chairman)

Conditional upon Admission it is intended to appoint Mr Jens Zimmerman as non-executive Chairman and for Marcus Yeoman to return to the role of Non-Executive Director. Details of the experience of Mr Zimmerman are set out below:

Jens Y. Zimmerman has been a Partner & Managing Director at New Silk Route Growth Capital, a USD 1.3bn Private Equity fund manager focused on consumer industries in Emerging Asia. Prior to New Silk Route, he co-founded South Asia Equity Partners and before that he co-founded HGU Hamburg Private Equity AG. He is involved in a portfolio of investment projects across different sectors and geographies.

Jens has over 25 years of direct investment experience across North America, Europe, Asia and the Middle East. He has founded over 20 companies, led over 50 investments and served on a number of boards. He has a special passion for education where he has led iconic investments and serves on the boards of several globally leading private and public education groups.

Jens holds an MBA from the Harvard Business School and a BA from the University of Hamburg in Germany. He is a co-founder of the Harvard Business School Alumni Clubs of Germany as well as the GCC (out of Dubai). He is also a former professional athlete.

## Principal terms and conditions of the Acquisition

The Company has entered into the Acquisition Agreement, pursuant to which it has conditionally agreed to acquire the entire issued share capital of HGC Investco 1 Ltd for a consideration comprising the issue of the Consideration Shares.

Completion of the Acquisition Agreement is conditional, amongst other things, on Shareholder approval of the Resolutions and Admission.

The Consideration Shares will represent 86.25 per cent. of the Enlarged Share

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Capital and will be issued and credited as fully paid and will rank pari passu in all respects with the New Ordinary Shares, including rights to future dividends.

Further information relating to the Sentiance Shareholders' Agreement is set out in Part 4 of this Document.

#### Options/Warrants

In connection with the Proposals, and conditional passing of the Resolutions, the existing Directors will be awarded an aggregate of 25,000,000 warrants, each entitling the holder to acquire one New Ordinary Share at a price of 0.8p per share for a period of 18 months, commencing upon Admission.

The Proposed Director will, conditional upon his appointment and passing of the Resolutions, be awarded 75,000,000 options entitling the holder to subscribe for one New Ordinary Share at a price of 1p per share for a period of 36 months commencing on Admission.

The terms of the Share Incentive Scheme, to regulate the awarding of the options, are summarised in Part 4 of this Document, and for which shareholder approval is sought (as explained below).

#### The Placing

Pursuant to the Placing Agreement, the Company has raised GBP500,000 (before expenses) through the placing of 62,500,000 Placing Shares at the Placing Price, conditional, amongst other things, on the Resolutions being passed at the General Meeting and Admission. The participants in the placing will also receive 100,000,000 Warrants, each entitling the holder to subscribe for one New Ordinary Share at a price of 1p per share for a period of 24 months from the passing of the Resolutions.

The estimated net proceeds of the Placing of GBP485,000, which together with the existing cash resources will provide the Enlarged Group, with adequate working capital over the next 18 months prior to the making of any further investments or acquisitions.

The Placing Shares will represent 2.16 per cent. of the Enlarged Share Capital and will be issued and credited as fully paid and will rank pari passu in all respects with the New Ordinary Shares comprised in the Enlarged Share Capital, including rights to future dividends.

Resolutions 1 and 2 are authorities to issue the Placing Shares, the Consideration Shares and any New Ordinary Shares pursuant to any exercise of the Warrants.

In order to enable the Company to raise further funds (if required), the Directors and the Proposed Director consider it is desirable for the Company to take a general authority and to dis-apply pre-emption rights in relation to any such issue, as detailed in Resolution 4. The authorities conferred by Resolutions 3 and 4 shall expire fifteen months after the passing of the resolutions or at the conclusion of the next annual general meeting of the Company following the passing of the resolutions, whichever occurs first. The Directors and the Proposed Director may look to raise additional funds for the Company following the General Meeting subject to the Resolutions being approved by Shareholders.

## Corporate Governance

The Directors and Proposed Director acknowledge the importance of the Financial Reporting Council's UK Corporate Governance Code (compliance with which is not mandatory for companies admitted to trading on NEX) and, following Admission, intend to comply with its principles so far as is practicable and appropriate given the nature and size of the Company and the size and constitution of the Board. The Directors and Proposed Director also intend to comply with the principles of the QCA Code, to the extent that they consider it appropriate and having regard to the Company's size, board structure, stage of development and resources.

The Directors and the Proposed Director will hold regular board meetings and will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. An audit committee, a remuneration committee and a nomination committee have been established with formally delegated rules and responsibilities. Each of these committees will meet as and when appropriate save in the case of the remuneration and audit committees which will meet at least twice each year.

It is proposed that the Proposed Director will be appointed to the New Board, conditional on completion of the Acquisition, by Shareholders passing Resolution 7 as an ordinary resolution, rather than being appointed by a resolution of the Board. Accordingly, as his appointment will have been made by the Shareholders, the Proposed Director will not be required under the Articles to submit himself for re-election at the next annual general meeting of the Company unless otherwise subject to retirement by rotation at that time.

The Audit Committee will comprise Jens Zimmermann, (who will be the chair), and Marcus Yeoman. The Audit Committee will, inter alia, determine and examine matters relating to the financial affairs of the Company including the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. It will receive and review reports from management and the Company's auditors relating to the half yearly and audited annual accounts and the accounting and the internal control systems in use throughout the Group.

The Remuneration Committee will comprise Jens Zimmermann, (who will be the chair), and Rupert Homer. The Remuneration Committee will review and make recommendations in respect of the Directors' remuneration and benefits packages, including share options and the terms of their appointment. The remuneration committee will also make recommendations to the New Board concerning the allocation of share options to employees under the intended share option schemes.

The Nomination Committee will comprise Jens Zimmermann, (who will be the chair) and Marcus Yeoman. The Nomination Committee will monitor the size and composition of the New Board and the other New Board committees and be responsible for identifying suitable candidates for New Board membership.

Moreover, it is anticipated that during the next twelve months further directors may be appointed to the board as the Company begins to implement its investment strategy.

## Irrevocable Undertakings

The existing Directors, being Rupert Horner and Marcus Yeoman, have given

Irrevocable Undertakings to the Company to vote in favour of the Resolutions to be proposed at the General Meeting (and, where relevant, to procure that such action is taken by the relevant registered holders if that is not them) in respect of their entire beneficial holdings totalling in aggregate 927,164 Existing Ordinary Shares, representing approximately 0.3 per cent. of the Existing Ordinary Shares.

#### General Meeting

Set out at the end of this Document is a notice convening the general meeting to be held at 11.00 a.m. on 5 November 2018 at Peterhouse Capital Limited, New Liverpool House, 15 Eldon Street, London EC2M 7LD. At the General Meeting the following resolutions will be proposed:

Resolution 1 is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of GBP2,750,000, being equal to 2,750,000,000 New Ordinary Shares (i.e. the number of Consideration Shares required, Ordinary Shares to be issued pursuant to the Placing and the future exercise of the Warrants and a marginal degree of headroom should, for any reason, the Placing be extended beyond GBP500,000);

Resolution 2, which is conditional on the passing of Resolution 1, is a special resolution to authorise the Directors to issue and allot equity securities up to an aggregate nominal value of GBP2,750,000, being approximately equal to 2,750,000,000 New Ordinary Shares, pursuant to the Placing, the Acquisition and the future exercise of the Warrants on a non-pre-emptive basis;

Resolution 3, which is conditional upon the Placing and the Acquisition completing in accordance with their terms, is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of GBP2,857,012, being equal to approximately 100 per cent. of the anticipated Enlarged Issued Share Capital;

Resolution 4, which is conditional upon the Placing and the Acquisition completing in accordance with their terms, is a special resolution to authorise the Directors to issue and allot equity securities on a non-pre-emptive basis up to an aggregate nominal value of GBP2,857,012, being equal to 100 per cent. of the anticipated Enlarged Issued Share Capital;

Resolution 5 is an ordinary resolution to buy-back the existing Deferred Shares;

The Deferred Shares were created due to the earlier losses of capital which had arisen on the Company's activities prior to it becoming an investment company. The Board can see no reason for the Deferred Shares to remain on the balance sheet and recommends that the Deferred Shares are purchased by the Company and cancelled (the "Buy-Back"). The Deferred Shares have no economic value.

Under the provisions of the Companies Act, a public limited company may not fund the purchase of its shares except out of its distributable reserves or the proceeds of a fresh issue of shares made solely for the purpose of such buy-back. The Company has no distributable reserves with which to fund the Buy-Back and therefore it is proposed that the Buy-Back is funded out of the proceeds of a new issue of one New Ordinary Share at a price of GBP10.00.

The Buy-Back is conditional upon Shareholder approval. At the General Meeting, Shareholders will be asked to approve, if thought fit, the Buy-Back pursuant to Resolution 5.



Under the provisions of the Articles, the Company has the power to buy-back all the existing Deferred Shares for GBP1 in aggregate. In addition, the Company has the power to appoint anyone to sign the Buy-Back Agreement on behalf of all the holders of the existing Deferred Shares and the Company proposes that any one of its Directors be authorised to carry out this function;

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## DJ High Growth Capital Plc GM, Board Changes, -5-

Resolution 6, which is conditional upon the Placing and the Acquisition completing in accordance with their terms, is a special resolution to approve a capital reduction;

The Board believes it is an appropriate time to carry out a rationalisation of certain capital and reserves accounts standing to the Company's balance sheet. Accordingly, approval is being sought to carry out a reduction of the Company's capital by way of the cancellation of the whole of the amount standing to the credit of the Company's share premium account and the capital redemption reserve (which will arise on the cancellation of the Deferred Shares, effected pursuant to Resolution 6) which will eliminate a substantial proportion of the current deficit position and, will thus create distributable reserves.

As at September 2017, there was GBP16,987,000 standing to the credit of the Company's share premium account and a capital redemption reserve on cancellation of the Deferred Shares of US\$6,148,000 will arise on the cancellation of the Deferred Shares. Both reserves are proposed to be cancelled in full (including any increase since 30 September 2017). As at 30 September 2017, the retained earnings of the Company were negative to the extent of GBP 22,797,000. The effect of the capital reduction will be to extinguish a substantial amount of this negative amount and create a small pro forma positive retained earnings position.

In addition to the approval by the Shareholders of Resolution 6, the capital reduction requires the approval of the High Court. Accordingly, following approval of the capital reduction by Shareholders, an application will be made to the High Court in order to confirm and approve the capital reduction.

In seeking the High Court's approval of the capital reduction, the High Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date, except in the case of creditors which have consented to the capital reduction. Any such creditor protection may include seeking the consent of the Company's creditors to the capital reduction, the provision by the Company to the High Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging the non-consenting creditors of the Company or the giving of alternative undertakings to protect creditors. The Company currently owes minimum sums to its creditors, consisting of general trade creditors. Where appropriate the Company may seek consent or acquiescence from certain creditors and will seek to give appropriate undertakings to the High Court to protect all other remaining creditors.

It is anticipated that the capital reduction will become effective in the first quarter of 2019, following the necessary registration of the Court Order at Companies House.

The capital reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. The Company has no current intention of distributing the reserves created by the capital reduction.

The Board reserves the right to abandon or to discontinue (in whole or in part) any application to the High Court in the event that the Board considers that the terms on which the capital reduction would be (or would be likely to be) confirmed by the High Court would not be in the best interests of the Company and/or the Shareholders as a whole. The Directors have undertaken a review of the Company's liabilities (including contingent liabilities) and are not aware

of any issue that might prevent the Company from being able to satisfy the High Court that, as at the date (if any) on which the court order relating to the capital reduction and the statement of capital in respect of the capital reduction have both been registered by the Registrar of Companies at Companies House and the capital reduction therefore becomes effective, the Company's creditors will either consent to the capital reduction or be sufficiently protected.

Following the implementation of the capital reduction, there will be no change in the number of New Ordinary Shares in issue. No new share certificates will be issued as a result of the capital reduction.

The capital reduction is not expected to affect outstanding options and awards over the Company's shares granted under option schemes or share plans.

Resolution 7 is an ordinary resolution to appoint Jens Zimmerman as a director of the Company.

Resolution 8 is an ordinary resolution to adopt the new Investment Strategy.

Resolution 9 is an ordinary resolution to adopt the Share Incentive Scheme.

Action to be taken

You will find accompanying this Document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it so as to be received by the Company's registrars, Share Registrars Limited, as soon as possible but in any event not later than 11.00 a.m. on 1 November 2018. Completion of the Form of Proxy will not preclude you from attending and voting at the General Meeting should you so wish.

Recommendation

The Directors consider that the Proposals are in the best interests of Shareholders and the Company as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions.

Yours faithfully

Marcus Yeoman

Interim Non-Executive Chairman

[1] For more detail on the privacy policy, see: <http://www.sentiance.com/privacy-and-security/journeys/>.

END

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