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1 July 2019

MESH Holdings plc

("MESH" or the "Company")

Sentiance N.V. ("Sentiance") Acquisition Option Exercise

Board Change

Share Suspension

The Company is pleased to announce that it has reached a definitive agreement with RRNB Capital Limited ("RRNB") for the early exercise of the Sentiance acquisition option (the "Acquisition Option").

Upon completion of the exercise of the Acquisition Option ("Closing"), the Company's holding in the share capital of Sentiance will increase to 80.05% on a fully diluted basis. The residual 19.95% of Sentiance shares will all be held by members of the Sentiance team and a share exchange mechanism has been agreed such that within a 24 months' time MESH will own 100.0% of the share capital of Sentiance.

Key Highlights:

- The Company has entered into a definitive agreement for the exercise of the Acquisition Option with RRNB and ZASAI Limited ("ZASAI"), a special purpose vehicle, specifically incorporated to conduct the Acquisition Option exercise and Closing on terms more preferable to the Company than originally announced on 12 April 2019;
- Final agreed share exchange ratio reduced from 5,000 to 4,000 MESH shares with a nominal value of 2.0 pence each ("MESH Shares") for each Sentiance share acquired;
- Total of 75,211 existing Sentiance shares will be acquired including 5,624 Sentiance shares held by Sentiance team;
- €15.0m new equity funding into Sentiance by ZASAI which will be settled by, and for the benefit of, MESH through the issuance of a fixed number of 27.0 million MESH Shares (at an implied reference price of 50p per MESH Share (assuming a fixed £:Euro exchange rate of 1.11));
- Upon Closing, Sentiance's cash balance will be approximately €19.0 million with no indebtedness;
- 27,307 residual Sentiance shares all held by Sentiance management to be subject to put and call arrangement for exchange into MESH Shares at various dates over the coming 24 months at a fixed exchange ratio of 2,250 MESH Shares for each Sentiance share. The Company will issue a total of 61,444,750 treasury shares to satisfy its obligation under this share exchange arrangement;
- New 3 year ESOP scheme (the "ESOP") specifically tailored for the Sentiance organisation comprising of 25.0 million MESH Shares with an initial exercise price of 50 pence per MESH Share;

- Shareholders agreement between MESH and the Sentiance management team to govern and manage the business going forward;
- All key Sentiance team members will enter into new 3-year employment continuation agreements; and
- Sentiance has had further significant contract wins and new partnership collaborations over the last few months.

As a consequence of the above and without the exercise of any outstanding or newly issued warrants or options or issuance of further equity, 404,288,750 new MESH Shares will be issued upon Closing. This figure comprising of: (i) 300,844,000 new MESH Shares for the exchange of 75,211 Sentiance shares; (ii) 27,000,000 new MESH Shares for the settlement of the €15.0 million equity investment by ZASAI into Sentiance;(iii) 15,000,000 new MESH Shares for the exercise of nominal warrants held by RRNB and (iv) 61,444,750 MESH Shares for the future acquisition of the residual Sentiance shares.

Closing of the Acquisition Option will be subject to the approval of MESH shareholders by ordinary resolution pursuant to the NEX Rules for Issuers (the “NEX Rules”).

Upon Closing the outstanding issued share capital of MESH will be 636,703,976 MESH Shares, with 61,444,750 MESH Shares held in treasury (via a trust to satisfy future option plan awards and arrangements for the acquisition of the final 27,307 Sentiance shares held by the Sentiance management team). The total voting rights are accordingly 575,259,226.

Board changes

Mark De Smedt was appointed as a Director and Chief Executive Officer of MESH on 25 April 2019. With immediate effect, Mark’s role will be extended to include that of Chairman, with Jens Zimmermann moving to a role of Non-Executive Director. The Company is going through a rapid transition and growth period which is expected to continue for a considerable period of time. The Board and its advisors have held extensive discussions about the future roles, responsibilities and requirements for corporate governance and ensuring a detailed plan to fully align with the Company’s ambitious objectives whilst complying with best international governance standards.

As a result, the Board and its advisors considered that it was appropriate that there should be a clear delineation between executive and non-executive functions but that an individual with knowledge and experience of the Sentiance business should assume stewardship as Chairman. The process of identifying additional independent and executive appointments has commenced formally. It is expected that in due course a wholly independent non-executive director will be appointed and a non-executive Chairman will be appointed with Mark reverting to the role of Chief Executive of the enlarged group.

Share suspension

The formal exercise of the Acquisition Option constitutes a fundamental change of business under the NEX Rules; with the Company ceasing to be an investing entity and becoming a trading group.

Under the NEX Rules, the Company is required to obtain shareholder approval for the consummation of the exercise of the Acquisition Option. An explanatory circular giving full information about Sentiance, its business and financial statements will be dispatched to shareholders in due course. The explanatory circular will convene a general meeting to approve the exercise of the Acquisition Option by ordinary resolution together with certain other matters requiring approval by ordinary resolution (including the new employee share option plan arrangements). Shareholders have previously given authority for the issues of the new MESH Shares in connection with the exercise of the Acquisition Option.

The Company will seek the consent of NEX to the lifting of the suspension on publication of the explanatory circular, given that this document will provide full and comprehensive information on the enlarged group.

The Company will make a further announcement as to timing of the dispatch of the explanatory circular and the date for the general meeting as soon as practicable.

The person who arranged for the release of this announcement on behalf of the Company is Mark De Smedt, Chief Executive Officer and Anne Stratford, Chief Legal Officer.

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