

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from your stockbroker, solicitor, accountant or other professional adviser authorised under the Financial Services and Markets Act 2000 (FSMA).**

If you have sold or otherwise transferred all your Ordinary Shares in Purplebricks Group plc (the **Company**), please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the stockbroker or other agent who arranged the sale or transfer so they can pass these documents to the person who now holds the Ordinary Shares.

An application will be made to the London Stock Exchange for the cancellation of the admission of the Ordinary Shares to trading on AIM.

**This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company beginning on page 2 of this Circular, which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.**

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# Purplebricks Group plc

*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 08047368)*

## Proposed sale of business and assets

## Proposed cancellation of admission to trading on AIM

## Proposed re-registration as a private company and change of name

## Proposed adoption of new articles of association

and

## Notice of General Meeting

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**Notice of a General Meeting of the Company to be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ at 9.00 a.m. on 2 June 2023 is set out at the end of this document.**

Shareholders are strongly encouraged to vote electronically and to appoint the chairman of the General Meeting as their proxy. Shareholders are requested to complete and submit their proxy vote online at <https://www.signalshares.com> or through CREST. All valid proxy votes will be included in the polls to be taken at the General Meeting and should be completed and submitted no later than 9.00 a.m. on 31 May 2023.

Zeus, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Purplebricks and for no one else in connection with the subject matter of this document and will not be responsible to anyone other than Purplebricks for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this document.

PwC is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting exclusively for the Purplebricks and for no one else in connection with the subject matter of this document and will not be responsible to anyone other than Purplebricks for providing the protections afforded to its clients nor for providing advice in relation to the subject matter of this document.

### Forward-looking statements

Certain information contained in this Circular constitutes forward looking information. This information relates to future events or occurrences or the Company's future performance. All information other than information of historical fact is forward looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information. No assurance can be given that this information will prove to be correct and such forward looking information included in this Circular should not be relied upon. Forward-looking information speaks only as of the date of this Circular.

The forward looking information included in this Circular is expressly qualified by this cautionary statement and is made as of the date of this Circular. The Company does not undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.

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## Part I - Expected timetable of principal events

Notice of Proposed Sale and Cancellation announced	17 May 2023
Publication of this Circular	17 May 2023
Latest time and date for receipt of Forms of Proxy	9 a.m. on 31 May 2023
General Meeting	9 a.m. on 2 June 2023
Announcement of the results of the General Meeting	2 June 2023
Expected Completion of Proposed Sale	2 June 2023
Expected last day of dealings in Ordinary Shares on AIM	15 June 2023
Cancellation of dealings on AIM	8.00 a.m. on 16 June 2023

Notes:

1. The times and dates set out in the expected timetable of principal events above and mentioned throughout this Circular may be adjusted by Purplebricks, in which event details of the new times and dates will be notified to the London Stock Exchange and, where appropriate, Shareholders by means of an announcement through a Regulatory Information Service.
2. All references to times and dates in this document are to times and dates in London, United Kingdom.

## Part II – Letter from the Chairman

### Purplebricks Group plc

(Incorporated and registered in England and Wales  
under the Companies Act 2006 with registered number 08047368)

Directors:

Paul Pindar (*Non-executive Chairman*)  
Helena Marston  
Dominique Highfield  
Simon Downing  
Adrian Gill  
Gareth Helm  
Elona Mortimer-Zhika

Registered Office:

First Floor  
1 Cranmore Drive  
Shirley, Solihull  
B90 4RZ

17 May 2023

Dear Shareholder

**Proposed sale of business and assets**  
**Proposed cancellation of admission to trading on AIM**  
**Proposed re-registration as a private company and change of name**  
**Proposed adoption of new articles of association**  
**and**  
**Notice of General Meeting**

#### 1 Introduction and summary

On 17 May 2023, the Company announced the completion of its Strategic Review and Formal Sale Process and the entry into a conditional agreement to effect the transfer of substantially all of the Purplebricks trading business and assets to Strike Limited (other than certain excluded assets) through its subsidiary Strike Bidco Limited (the **Purchaser**) for a consideration of £1 and the assumption of substantially all of the Company's liabilities (other than the excluded liabilities) by the Purchaser (the **Proposed Sale**). The Proposed Sale results in the Company's cash balance on Completion (up to a maximum of £5.5 million) being retained by the Company with the intention that the net cash proceeds after the deduction of certain costs and expenses to meet the excluded liabilities (the **Net Cash Proceeds**) shall be distributed to Shareholders. Further details are set out in the section below entitled "Return to Shareholders and Use of Net Cash Proceeds".

On Completion, the Company will cease to own, control or conduct all of its existing trading business, activities and assets and, therefore, the Proposed Sale constitutes a fundamental change of business for the purposes of Rule 15 of the AIM Rules. The Proposed Sale is also potentially deemed "frustrating" action under the Takeover Code. Accordingly, the Proposed Sale is conditional upon the approval of the Shareholders of the Proposed Sale Resolution at the General Meeting.

The Directors have also concluded that, on the basis that the Company would no longer have a trading business on Completion, it is in the best interests of the Company and the Shareholders to seek approval of the Shareholders to cancel the admission of the Ordinary Shares to trading on AIM. Assuming the passing of the Cancellation Resolution, which will be conditional on the passing of the Proposed Sale Resolution and Completion, it is expected that Cancellation will take place on 16 June 2023.

Furthermore, in order to facilitate the proposed distribution of the Net Cash Proceeds to Shareholders, among other things, it is proposed that the Company be re-registered as a private limited company.

**The purpose of this document is to: (i) give you details of, and the reasons for, the Proposed Sale and Cancellation and to explain why the Board considers the Proposed Sale to be in the best interests of the Company and Shareholders as a whole and (ii) recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as the Directors have irrevocably undertaken to do in respect of their beneficial holdings amounting, in aggregate, to 19,402,865 Ordinary Shares, representing approximately 6.3% of the Company's issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).**

In addition, the Company has received an irrevocable undertaking to vote in favour of the Resolutions from AVIV Group in respect of a total 81,384,638 Ordinary Shares representing approximately 26.5% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

Furthermore, the Company has received a letter of intent to vote in favour of the Resolutions from JNE Master Fund LP in respect of a total 33,620,000 Ordinary Shares representing approximately 11% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

The Company has therefore received irrevocable undertakings and/or letters of intent in respect of a total 134,407,503 Ordinary Shares representing approximately 43.8% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

**You should read the whole of this document and not just rely on the summarised information set out in this letter.**

## **2 Background to the Proposed Sale and reasons for the Recommendation**

On 17 February 2023, the Company announced a trading update for the financial year ending 30 April 2023 (**FY23**) and the commencement of the Strategic Review.

The trading update explained, amongst other items, that the implementation of its turnaround plan laid out at its half year results for the six months ended 31 October 2022 (**HY23**) (the **Turnaround Plan**) had involved more disruption to the sales field than envisaged in order to achieve the required cost savings and efficiency improvements. As a result of this disruption, instruction numbers achieved in Q3 FY23 were lower than the Board's expectations and, as such, expectations for the full year were revised.

In addition to the trading update, the Company also announced the commencement of the Strategic Review, recognising that the potential of the Group may be better realised under an alternative ownership structure. Throughout the Strategic Review, consideration of all options available to the Company was given including the potential for an equity fund raising, the sale of the Company or some or all of the Group's business and assets, changing the Group's payment processor for 'pay now' instructions and/or changing the basis of the Company's customer offering or the arrangements under which it offers pay later terms to its customers.

Following the launch of the Strategic Review, the Group received several credible expressions of interest that the Board wished to pursue alongside having the ability to engage with a wider range of potentially interested parties. Accordingly, to facilitate this, on 1 March 2023, the Company announced an update to the Strategic Review and the launch of the Formal Sale Process.

Following the launch of the Formal Sale Process, the Company engaged with a significant number of potential offerors, both via outbound and inbound approaches. The Formal Sale Process involved several rounds of bidding designed to identify the most credible potential offerors, considering both the value being offered to Shareholders, and the ability to deliver certainty for the Group and its stakeholders in a short timeframe, taking into account the Company's cash and trading position and the upcoming expiry (and prospect of renewal) of the arrangements under which the Company is able to offer its 'pay later' terms (which account for c. 70% of the Group's revenues).

On 9 May 2023, the Company released a trading update for FY23 and an update on the Strategic Review and the Formal Sale Process. The Company outlined that:

- instruction levels for Q4 FY23 had not increased as previously anticipated, which is expected to impact on revenue and EBITDA for FY24;
- in light of the Group's current financial position, the Group's payment processor for 'pay now' instructions had exercised its right to withhold a portion of remittances to the Group;
- this withholding and reduction in anticipated instructions had impacted the Company's cash position, which as at 30 April 2023 was estimated to have stood at c. £9.1 million;
- the Board expected that the previously anticipated return to cash generation in early FY24 was unlikely, given the trading performance of the Group, and whilst the Strategic Review and resultant uncertainty around the future of the Group remained ongoing;
- the Company had secured a short term extension to the contractual arrangements with the funding partner which enables the Group to offer its pay later terms to its customers, with such arrangements having been due to expire on 30 April 2023;
- should the Group not be able to agree revised terms for the financing which supports its pay later offering, or should those terms be disadvantageous to the Group or its customers, this would accelerate the Group's utilisation of its remaining cash reserves. Any further increased rate of withholding by the Group's payment processor for pay now instructions would also accelerate the Group's utilisation of its remaining cash reserves;
- the Board believed it was necessary to conclude the Strategic Review and the Formal Sale Process promptly and in a manner that provided more certainty around the Group's future ownership, that provided the business with access to additional funding and resulted in a longer term extension from its funding partner for its pay later offering; and
- in the view of the Board, a conclusion to the process was necessary in the interests of Shareholder value, and to create greater stability and clarity for the future of the Company, its employees, its funding partners and its customers.

The Directors have taken into account the comprehensive exploration of options as part of the Strategic Review, the current trading performance of the Company, the liquidity position of the Company and the near term expiry of its key funding partner relationships as well as the potential challenges in securing, in the short term, the future ownership of the Group.

Reflecting the above, the Board has prioritised proposals that would deliver short term certainty for the Group and its stakeholders, including in particular its consumer customer base, as well as seeking to deliver an outcome that protected employee rights, offered a future for a proportion of employees and offered a favourable outcome for the Group's partners and suppliers. It should be noted that the timeframe for completion of any acquisition of all of the shares in the Company could be lengthy, in particular because of a requirement to obtain prior approval of the Financial Conduct Authority of the change in control of the Company. The Proposed Sale will be completed in a much shorter timeframe than a takeover of the Company.

Furthermore, in addition to considering some of the factors and objectives outlined above, as part of its assessment of the Proposed Sale, the Board has considered with its advisers the potential alternative implications of a failure to agree satisfactory terms for an extension to its pay later financing arrangements, the Group's payment processor for pay now increasing its withholding of remittances, the potential accelerated utilisation of its cash reserves and wider uncertainties around its financial and trading outlook. Were such circumstances to arise, absent other financing solutions being identified or an alternative transaction being consummated to secure the future ownership of the Group in the short term, the prospect of the Company entering into administration or some other form of insolvency procedure would increase. In their assessment of such scenarios, the Board consider that the prospects for recovery of any value by Shareholders would be highly unlikely.

In terms of the anticipated future of the Company's business under the arrangements for the Proposed Sale, the Directors have considered the investment Strike intends to make in the Company's business,

the opportunity for the future success of the business within Strike's group and the finance arrangements that the Purchaser has secured for the continued offering of the Company's pay later terms, which are a key part of the Group's consumer driven proposition.

The Directors understand Strike is of the view that the Proposed Sale ending the uncertainty around the Formal Sale Process and the Company's future ownership should bring stability to business which may lead to increases revenue and the rate of new instructions. Strike nonetheless considers there will be a need to reduce costs in the business, with the extent of cost reductions required itself a function of the performance of the business. While there will be cost savings associated with the Company no longer being admitted to trading on AIM, Strike has also indicated such cost reductions will include reducing the employee base, which will impact on the size of the field teams and certain central functions. While this will require comprehensive planning, Strike has indicated it would like to complete this planning and initiate a redundancy consultation process, with the Company's assistance, that would likely involve all of the Company's employees as soon as practicable and possibly prior to Completion. Strike has however assured the Board that its firm intention is to grow the business, which will require continued employee support and that any employees affected by redundancy will be treated fairly and equitably, consistent with Strike's culture of respect. The Directors would also note that all of the advanced talks held by the Company with potential offerors have involved some proposals to reduce or otherwise change the Company's workforce.

Taking into account all of the factors above, the Directors believe that the Proposed Sale achieves the short term certainty the business requires and offers the best chance of a secure outcome for and respecting the rights of all of its stakeholders, including in particular its consumer customer base. Accordingly, the Directors have unanimously concluded that it is in the best interests of the Company, Shareholders and other stakeholders to proceed with the Proposed Sale and the Directors recommend that Shareholders vote in favour of all Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own shareholdings of, in aggregate, 19,402,865 Ordinary Shares, representing approximately 6.3% of the total issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular). Further details of the recommendation are outlined below.

Accordingly, as announced by the Company on 17 May 2023, the Company has terminated the Strategic Review and Formal Sale Process.

The Board recognises and thanks Shareholders for the support the Company has received from them since its IPO, and the role that support has played in facilitating the Company in its disruption of the estate agent industry during that time.

### ***Rule 2.8 of the Takeover Code***

Shareholders will be aware that on 10 May 2023, Strike released an announcement confirming that it did not intend to make an offer for the Company. This statement is subject to Rule 2.8 of the Takeover Code and under Rule 2.8(f) of the Takeover Code, Strike would be prohibited from purchasing, agreeing to purchase or make any statement which raises or confirmed the possibility that it is interested in purchasing assets which are significant in relation to the Company for a period of six months from 10 May 2023. With regard to reservation a) in the announcement made by Strike on 10 May 2023, the Board of the Company has agreed that this restriction may be set aside for the purposes of Strike and the Purchaser entering into the Asset Purchase Agreement.

### **3 Details of the Proposed Sale and associated matters**

The Company has entered into the Asset Purchase Agreement on terms and conditions which effect the transfer of substantially all of the Purplebricks trading business and assets to, and the assumption of substantially all of its liabilities (other than the excluded liabilities) by, the Purchaser. The obligations of the Purchaser under the Asset Purchase Agreement are guaranteed by Strike.

The principal terms of the Asset Purchase Agreement are as follows:

#### ***Consideration***

- The cash consideration under the Asset Purchase Agreement payable by the Purchaser to the Company is £1 and the assumption of substantially all of the Company's liabilities (other than the excluded liabilities) by the Purchaser. In addition, it should be noted that the Company is entitled to retain up to £5.5m in cash at Completion, which amount will depend on the cash position of the Group at that time.

#### **Conditions**

- The Proposed Sale is only conditional upon the Proposed Sale Resolution and, namely, approval of the requisite majority of Shareholders at the General Meeting.

#### **Assumption of liabilities**

- The Purchaser has agreed to an assumption of liabilities supported by a broad indemnification provision in favour of the Company, should any liabilities (save for the excluded liabilities) remain for the Company to pay.

#### **Pre-completion covenants**

- Pending Completion, the Company is obliged to operate its business in the ordinary course as carried on prior to the date of the Asset Purchase Agreement. There are also certain restrictions on the Company with regard to the operation of its business including, amongst other things, disposing of (or creating an encumbrance over) any assets which are subject to the sale and entering into, amending or terminating a material contract.

#### **Termination**

- The Purchaser will be entitled to terminate the Asset Purchase Agreement if at any time prior to Completion there has been a breach of the insolvency related warranties or a material breach of the pre-completion undertakings given by the Company.

Assuming the Proposed Sale Resolution is duly passed by Shareholders, it is expected that Completion will occur on the day of the General Meeting.

It is anticipated that, following Completion, there will be a transitional period needed to move the business and assets to the Purchaser (the **Transitional Period**). Following Completion and any transfers of business and assets which transfer after Completion, the admission of the Ordinary Shares to trading on AIM will be cancelled, as more particularly described below, and the Net Cash Proceeds shall be distributed to Shareholders, as further set out in the section entitled "Return to Shareholders and use of Net Cash Proceeds" below.

As the Proposed Sale will include a transfer of substantially all of the trade and assets of the Group, the losses attributable to the Proposed Sale are equal to the loss after tax presented in the Group's Annual Report and Account for the financial year ending 30 April 2022 of £42.0 million.

#### **4 Information on Strike and the Purchaser**

Strike is an online estate agent providing property sales, mortgages, and conveyancing services to customers, and operates throughout England.

The Purchaser is a wholly-owned subsidiary of Strike which has been incorporated in order to carry out the Proposed Sale.

#### **5 Rule 21 of the Takeover Code – frustrating action**

As noted above in the section entitled "Background to the Proposed Sale and reasons for the Recommendation", following the launch of the FSP the Company received a number of proposals.

#### **Current status of discussions**



Prior to the Company terminating the Formal Sale Process by way of the Announcement on 17 May 2023, all parties who have approached the Company were notified of the rejection of their approach with regard to making an offer for the Company and also of the termination of the Formal Sale Process.

If the Company receives an approach from any interested party at any time prior to the General Meeting confirming that they are interested in making a potential offer for the Company, the Company will inform shareholders without delay by way of RIS announcement. In the event that such an announcement is made, any potential offeror will be subjected to a deadline in accordance with Rule 2.6(a) of the Takeover Code such that by not later than 5.00pm (London time) on the 28th day following the date of the announcement by the Company in which such potential offeror is first identified, such potential offeror must either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Takeover Code applies. Any such deadline may be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Takeover Code.

During the Formal Sale Process, however, the Directors did not consider that indications of interest received provided either sufficient certainty or deliverability in the timeframe needed to resolve the Group's short term funding issues, in the context of its key funding partner agreements being close to expiry and the Company's cash balance declining, as outlined in the section entitled "Background to the Proposed Sale and reasons for the Recommendation" set out above. The Directors will continue to apply such criteria in its assessment of any further proposals that are received.

As at the date of this Circular, no firm proposal has been made to the Company by any potential offerors. Based on the exploration of sale options conducted as part of the Formal Sale Process, and that such process has been running since 1 March 2023, the Directors currently consider that it is unlikely that any proposals that may be under consideration by any potential offerors would lead to a firm offer for the Company that could be made in a timely manner or deliver more certainty to Shareholders than, or value to Shareholders in excess of, the Proposed Sale.

#### ***Requirement for Shareholder Approval***

Given the impact of Completion of the Proposed Sale on the ability of any potential offeror to make an offer for the Company in its current state, the Proposed Sale is potentially deemed "frustrating" action under the Takeover Code. Accordingly, it is a requirement of Rule 21.1 of the Takeover Code that the Proposed Sale is conditional upon the approval of Shareholders in General Meeting and the Proposed Sale Resolution is therefore being proposed at the General Meeting. The approval requirements of Rule 21.1 of the Takeover Code, being the majority of Shareholders voting in favour at the General Meeting, are the same those which apply to the Proposed Sale as a result of Rule 15 of the AIM Rules and, therefore, there are no additional approvals being sought from Shareholders to satisfy this requirement.

#### ***Advice on the Proposed Sale***

Pursuant to Rule 21.1(d) of the Takeover Code, the Board must obtain competent independent advice as to whether the financial terms of the Proposed Sale are fair and reasonable and set out the substance of this advice, together with the Board's views on the Proposed Sale.

As noted below in the section entitled "Recommendation", the Directors consider that the Proposed Sale is in the best interests of the Company, the reasons for such recommendation being set out in the section entitled "Background to the Proposed Sale and reasons for the Recommendation" above. Moreover, the Board, who have been so advised by Zeus as to the financial terms of the Proposed Sale, consider the terms of the Proposed Sale to be fair and reasonable. In providing its advice to the Directors, Zeus has taken into account the commercial assessments of the Directors. Zeus is providing independent financial advice to the Directors for the purposes of Rule 3 of the Takeover Code.

**Shareholders should note that if the Proposed Sale Resolution is approved and Completion occurs, any party who is considering making an offer for the Company in its current form will no longer be able to do so as the Company will have disposed of substantially all of its assets.**

## **6 Return to Shareholders and use of Net Cash Proceeds**

As noted above, the Directors intend that the Net Cash Proceeds will be distributed to Shareholders. It is anticipated that any distribution will be conducted through a members' voluntary liquidation of the Company following the Transitional Period.

### ***Timing of return to Shareholders***

The Directors intend that the Net Cash Proceeds will be returned to Shareholders as soon as reasonably practicable. However, prior to such return being implemented, (i) certain legal formalities will need to be completed during the Transitional Period and (ii) the members' voluntary liquidation will need to be carried out to effect the return to Shareholders. While the timing of the return of the Net Cash Proceeds will depend on completion of these matters, the current expectation is that such return will not be capable of being effected before Q1 2024 at the earliest. The timing of the return to Shareholders will depend on a number of factors such as (i) the complexity of the business transfer; (ii) the resolution of liabilities which cannot effectively be transferred to the Purchaser without the cooperation of third parties, in particular where the Company remains a named party to Court proceedings; (iii) the resolution of any new matters which may be brought to the appointed liquidators' attention following commencement of the liquidation; (iv) the timing of submission of the Company's pre-liquidation corporation tax returns and other indirect tax returns; and (v) timely receipt of tax clearance to close the liquidation from HM Revenue & Customs.

### ***Amount of return to Shareholders and factors impacting such return***

Under the terms of the Asset Purchase Agreement, as noted above, substantially all of the Company's assets and liabilities will be transferred to and assumed by the Purchaser, other than certain excluded assets and the excluded liabilities.

In particular, the cash in hand and at bank at Completion up to £5.5 million is excluded from the terms of the Proposed Sale and will be retained by the Company. The exact amount of cash retained will depend on trading in the period prior to completion of the Proposed Sale and the cash retained will be used to pay existing excluded liabilities on or shortly after Completion and subsequently satisfy the excluded liabilities as they arise following the Proposed Sale with the excess (i.e. the Net Cash Proceeds) being returned to Shareholders.

It is currently anticipated that the Net Cash Proceeds will be approximately £2 million. The exact amount however of the Net Cash Proceeds available to be returned to Shareholders in a members' voluntary liquidation will be dependent on a number of factors, including:

- the amount of cash in hand and at bank at Completion which depends, amongst other things, on trading performance in the period up to Completion and whether such trading performance could be negatively impacted, including as a result of any disruption in the Company resulting from the Announcement;
- in respect of the Asset Purchase Agreement, the ability to recover from the Purchaser under the assumption of liabilities and indemnification provision; and
- the timing of the members' voluntary liquidation and the process to its completion, including whether any presently unknown creditors seek to make claims, which may draw out the time and cost of the process even if any amounts claimed are recovered from the Purchaser under the Asset Purchase Agreement.

Accordingly, as a result of these factors, the amount of the Net Cash Proceeds to be returned to Shareholders could be more or less than is currently anticipated and, in the event that the gross amount of cash retained at Completion is less than £5.5m or unanticipated liabilities arise which cannot be recovered, it is possible that Shareholders would not receive the amount anticipated or any return at all.

While there may be uncertainty as to the exact amount of the Net Cash Proceeds, Shareholders are referred to the section entitled "Background to the Proposed Sale and reasons for the Recommendation"

and why the Directors have unanimously concluded that the Proposed Sale is in the best interest of the Company, Shareholders and other stakeholders.

## **7 Irrevocable undertakings**

The Directors who hold Ordinary Shares have irrevocably undertaken to vote (or, in respect of Ordinary Shares where their interest is solely beneficial, procure the exercise of all such voting rights) in favour of the Resolutions in respect of a total 19,402,865 Ordinary Shares, representing approximately 6.3% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

In addition, the Company has received an irrevocable undertaking to vote in favour of the Resolutions from AVIV Group in respect of a total 81,384,638 Ordinary Shares representing approximately 26.5% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

Furthermore, the Company has received a letter of intent to vote in favour of the Resolutions from JNE Master Fund LP in respect of a total 33,620,000 Ordinary Shares representing approximately 11% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

The Company has therefore received irrevocable undertakings and/or letters of intent in respect of a total 134,407,503 Ordinary Shares representing approximately 43.8% of Purplebricks' issued share capital on 16 May 2023 (being the last Business Day before the date of this Circular).

The irrevocable undertakings shall cease to be binding if the General Meeting has not taken place by 2 June 2023.

The Company also understands that, in connection with the grant of an irrevocable undertaking to Strike, Strike has agreed with AVIV Group that, following Completion and the Cancellation having become effective, Strike will procure the transfer of the interests in Homeday GmbH (**Homeday**) which are currently indirectly held by the Company to AVIV Group for nominal consideration. The Group's investment in Homeday has been impaired in full at 30 April 2022, which resulted in a charge of £9.2m at the Group level. This impairment reflected continued losses following a significant slowdown in the German residential property market, in excess of those which had been forecast earlier in FY22, and a reassessment of the discount rate applied to Homeday's projected future cash flows in line with a more challenging macro-economic outlook. The Company is not party to this arrangement and no transfer will take place unless Completion and the Cancellation become effective.

## **8 Cancellation of admission to trading on AIM**

The Directors have concluded that, if the Proposed Sale is approved and Completion occurs, as the Company would no longer be a trading business on Completion, it is in the best interests of the Company and its Shareholders to seek Shareholders' approval to cancel the admission of the Ordinary Shares to trading on AIM. In accordance with Rule 41 of the AIM Rules, the Company has notified the London Stock Exchange of the proposed Cancellation.

Assuming the passing of the Cancellation Resolution, which will be conditional upon the passing of the Proposed Sale Resolution and Completion, it is expected that the Cancellation will take place on 16 June 2023.

Pursuant to Rule 41 of the AIM Rules, the Cancellation Resolution requires the approval of not less than 75% of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

The Directors have considered the benefits and disadvantages to the Company and Shareholders in retaining its admission to trading on AIM. The Directors believe that the Cancellation is in the best interests of the Company and Shareholders as a whole. Following the Sale, the Company will have no trading business and limited cash resources which the Company intends to distribute to Shareholders through a members' voluntary liquidation. Furthermore, given the time it takes to conclude a members' voluntary liquidation and the significant expense the Company would incur as a quoted company through that time, a members' voluntary liquidation would be adversely affected if the Company remained as a

public company and its shares admitted to trading on AIM. The cancellation of admission to trading on AIM would preserve cash in the Company and maximise any distribution made through a members' voluntary liquidation.

The principal effects of the Cancellation will be that:

- the liquidity and marketability of Ordinary Shares is likely to be reduced as there will be no public market in the Ordinary Shares and no price for Ordinary Shares will be quoted by any market maker. As such, while the Ordinary Shares will continue to be freely transferable, interests in Ordinary Shares are unlikely to be readily capable of sale and, even where a buyer is identified, it may be difficult to place a fair or market value on any such sale;
- the Company would no longer be required to comply with the ongoing obligations set out in the AIM Rules (or to have a nominated adviser and broker), including the requirements to disclose material events, such as interim or final results, substantial transactions or other developments to the market, and Shareholders would no longer have the ability to vote on certain matters prescribed by the AIM Rules, thereby removing the layer of protection in respect of the interests of Shareholders afforded by the AIM Rules;
- in order to increase the cost saving by becoming a private company, following the Cancellation, the Company will no longer be obligated to produce and publish half-yearly reports and related financial statements or hold an annual general meeting;
- whilst the Company's CREST facility will remain in place following the Cancellation, the Company's CREST facility may be cancelled in the future and, in that event, although the Ordinary Shares will remain transferable, they will cease to be transferable through CREST. In this instance, Shareholders who hold Ordinary Shares in CREST will receive share certificates; and
- the Cancellation may have taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

Shareholders should be aware that if the Cancellation takes effect, they will at that time cease to hold shares in a quoted company and will become Shareholders in an unquoted company which will be likely to reduce the liquidity of the Ordinary Shares and the principal effects referred to above will automatically apply to the Company from the date of the Cancellation. Upon the Cancellation becoming effective the Board do not propose to implement a matched bargain facility.

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

#### ***Implications of a failure to approve the Cancellation***

The Directors strongly believe that for the reasons referred to above the Company should seek the Cancellation and subsequently a solvent wind-up. In the event that the Proposed Sale is completed but the Cancellation is not approved and does not occur, as an AIM Rule 15 cash shell, if the Company does not make an acquisition or acquisitions constituting a reverse takeover under the AIM Rules within six months of becoming an AIM Rule 15 cash shell, then the Ordinary Shares would be suspended from trading on AIM.

#### **9 The application of the Takeover Code following the Cancellation**

The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code currently applies to the Company and will continue to apply to the Company notwithstanding the Cancellation and the Company's re-registration as a private company. The Takeover Code will only cease to apply to the Company upon the expiry of the 10-year period from the date of the Cancellation or, if earlier, the date on which the Company is either determined by the Takeover Panel to no longer have its central place of management and control in the United Kingdom, the Channel Islands or the Isle of Man or is liquidated.

## **10 Proposed conversion to private company, change of name and adoption of the New Articles following the Cancellation**

The Change of Status Resolutions, which will be conditional on Completion, are being proposed in order to:

- change the status of the Company from a public company to a private company;
- change the name of the Company to "Bricks Newco Limited"; and
- adopt the New Articles.

The Change of Status Resolutions require the approval of not less than 75% of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting.

### ***Change of name***

The proposed change of name is to reflect the transfer of the trade, assets and "Purplebricks" brand name to Strike and is an obligation under the Asset Purchase Agreement.

### ***Re-registration as a private company***

Given that the Ordinary Shares will no longer be admitted to trading on AIM or any other public market following the Cancellation, the Directors consider that converting the Company to a private company is more appropriate than retaining the Company's status as a public company. If the Change of Status Resolutions are passed, an application will be made to the Registrar of Companies in England and Wales for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Resolution to re-register as a private limited company or that any such application to cancel the Resolution to re-register as a private limited company has been determined and confirmed by the Court.

### ***New Articles***

The proposed New Articles are short form private company articles which are considered by the Directors (in consultation with their professional advisers) better to reflect the nature and intended operation of the Company going forward than the Articles.

A copy of the New Articles are available on the Company's website [www.purplebrickspc.com](http://www.purplebrickspc.com) and will be available for inspection during the General Meeting.

The principal effects of re-registration as a private company and adoption of the New Articles on Shareholders are set out in Part III to this Circular.

## **11 Board changes**

Following Completion, the Company will no longer have a trading business and for the period immediately following Completion (i.e. the Transitional Period) the focus will first be on concluding the transfers of the business and assets to, and assumptions of liabilities by, the Purchaser (the **Transitional Arrangements**). In addition, as noted above, the Company intends to cancel its admission to trading on AIM and re-register as a private company. The Company needs the appropriate skills on its board to oversee this exercise while safeguarding the remaining assets of the Company for distribution to Shareholders and providing stewardship to those Shareholders.

The Board believe that the Company will need executive and quasi-executive support to ensure that the Transitional Arrangements are dealt with in a timely fashion without incurring risk to the Company so that the members' voluntary liquidation can be commenced as swiftly as possible as well as expertise in business transfer arrangements. Each of the Non-Executive Directors of the Company was appointed to the Company as a result of their industry expertise and plc experience and ensuring the Transitional

Arrangements are concluded in the manner described will require significant time commitments and different form of expertise.

Following the Transitional Period, the focus of the Board will turn to taking the necessary steps to facilitate a return of the Net Cash Proceeds to Shareholders. It is the intention Board to implement the return of the Net Cash Proceeds to Shareholders through a members' voluntary liquidation and, as such, a liquidator will be appointed to carry out the liquidation and the role of the Directors, other than in the Transitional Arrangements, will be minimal following the Cancellation.

In light of the factors set out above, assuming the Cancellation is approved and takes effect, each of the Non-Executive Directors has indicated their intention to step down from the Board shortly after the Cancellation occurs.

Under arrangements entered into in the Asset Purchase Agreement, the Purchaser has agreed to provide access to resources at no cost to the Company to facilitate conclusion of these Transitional Arrangements. Dominique Highfield, the Group's current CFO whose employment will transfer to the Purchaser on Completion, will continue to act as a director of the Company during the Transitional Period as part of this commitment by the Purchaser to oversee these arrangements and discharge any obligations of the Company to the Purchaser during this time.

To assist Dominique in this process, ensuring that an independent director remains on the board to safeguard the interests of the Shareholders up to and in the appointment of the liquidators and recognising the expertise required in this area, the Non-Executive Directors are proposing to appoint a new director with experience in business transfers and company dissolutions. The Non-Executive Directors will seek to identify an appropriate candidate in the period prior to the Cancellation taking effect.

The Board changes described above will be carried out in an orderly fashion to ensure that the interests of the Company and Shareholders are properly taken into account at all times. As set out in the Announcement, Helena Marston will resign as Chief Executive Officer with effect from Completion.

## **12 General Meeting**

Set out on at the end of this document is the Notice of General Meeting to be held at 9.00 a.m. on 2 June 2023 at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ, at which the Resolutions will be proposed for the purposes of implementing the Proposed Sale, the Cancellation and certain other matters, as more particularly described above.

## **13 Importance of your vote**

**Shareholders should be aware that if the Proposed Sale Resolution is not approved by Shareholders at the General Meeting, the Proposed Sale would not proceed. Accordingly, as previously announced and referred to in the section entitled "Background to the Proposed Sale and reasons for the Recommendation" above, the continued uncertainty around the Group's future ownership could have a significant impact on (i) the terms offered by the Group's payment processor, under which any further increased rate of withholding would accelerate the Group's utilisation of its remaining cash reserves, (ii) the Group's ability to offer its pay later terms, and (iii) customer, employee and wider supplier sentiment towards the Group, each of which could materially impact the trading performance of the Group.**

In particular, with regards to the Group's ability to offer its pay later terms, the Group has been granted a short extension by its pay later funding partner to the expired terms. If the Proposed Sale does not complete, the Board expects it is unlikely that it would be able to agree acceptable revised terms and it is possible that these arrangements would come to an end. Should the Group not be able to agree revised, extended terms for its pay later offering, or should those terms be disadvantageous to the Group or its customers, this would accelerate the Group's utilisation of its remaining cash reserves.

**Accordingly, in light of the Group's cash position, and in the absence of (i) improved trading, (ii) alternative partners to provide the Group or its customers with access to financing or preferable payment processing terms, or (iii) any other transaction to secure the future ownership of the**

**Group in the immediate term – the latter two of which have been extensively considered as part of the Strategic Review and Formal Sale Process and which the Directors do not consider are necessarily available – it is considered likely that the Company would need to cease offering its pay later terms and, in due course, the Company may not be able to meet its respective financial obligations as they fall due.**

**Therefore, the Directors believe that, if the Proposed Sale does not complete, there may be no alternative other than for the Company to enter into administration or some other form of insolvency procedure under which the prospects for recovery of any value by Shareholders would be highly unlikely.**

**Whether or not such a course of action were to be pursued would need to be determined by the Directors in fulfilment of their statutory duties at the relevant time. If the Company became unable to offer its pay later terms, this could have such a detrimental effect on revenue and cashflow that the Directors consider an administration or insolvency procedure could be within a matter of days or weeks from ceasing to be able to offer such terms. Even were a short term extension of the finance arrangements for its pay later offering made available, absent (i) improved trading, (ii) longer term, more stable new finance arrangements, or (iii) an alternative transaction to secure the future ownership of the Group in the immediate term, the Directors consider the timeframe to concluding that there was no alternative outcome for the Company other than entering into administration or other form of insolvency procedure could be a matter of weeks or months from the proposed date of the General Meeting.**

#### **14 Action to be taken**

You are able to appoint your proxy online, via LinkVote+, hard copy form of proxy requested from our Registrar or attend the meeting and vote in person.

Your proxy vote must have been received by no later than 9.00 a.m. on 31 May 2023 if you are voting online, using LinkVote+ or by post. To appoint a proxy and cast your votes, you can use one of the following methods:

- Online: by logging on via <https://www.signalshares.com> to submit their vote electronically; or
- By post: by requesting a hard copy form of proxy directly from the Company's registrar, Link Group, on telephone number 0371 664 0300 or by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales; or
- LinkVote+ app: via the new shareholder app, LinkVote+, by downloading the app on the Apple
- App Store or Google Play and following the instructions; or
- In person: by attending and voting at the meeting in person. Please inform [investors@purplebricks.com](mailto:investors@purplebricks.com) if you plan to attend the meeting.

We strongly encourage you to submit your proxy vote as soon as you can and in any event prior to the deadline for submission on 31 May 2023 and recommend using the online platform or LinkVote+ to avoid the risk of postal delays. Online, LinkVote+ and postal appointments received after 9.00 a.m. on 31 May 2023 will not count towards the final result.

Shareholders are requested to submit a proxy vote whether or not they wish to attend the General Meeting. Doing so will not prevent Shareholders from attending the General Meeting and voting in person should they so wish.

#### **15 Recommendation**

**The Directors consider the Proposed Sale and the Cancellation to be in the best interests of the Company and its Shareholders as a whole.**

**Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own beneficial holdings and the shareholdings in which they are interested amounting, in aggregate, to 19,402,865 Ordinary Shares, representing approximately 6.3% of Purplebricks' total issued share capital as at the date of this document.**

**16 Documents available for inspection**

In accordance with Rule 26.1 of the Takeover Code, copies of the following documents will be published on Purplebricks' website at [www.purplebricksplc.com/investors](http://www.purplebricksplc.com/investors) until Completion:

- this Circular;
- the Asset Purchase Agreement; and
- the New Articles.

Yours sincerely

Paul Pindar  
Non-executive Chairman



## **Part III - Principal effects of re-registration and the New Articles**

### ***Accounts***

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to shareholders. Following the re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year.

### ***General meetings and resolutions***

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

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

### ***Directors***

The current Articles contain provisions requiring the one-third of the Directors to retire by rotation at each annual general meeting of the Company. This provision is not included in the New Articles. In addition, the New Articles will not require any director appointed by the Board to be re-appointed by shareholders at the next annual general meeting following their appointment, as is currently required. The New Articles also reduce the minimum number of Directors to one.

### ***Issue of shares for non-cash consideration***

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the re-registration.

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

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

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

### ***Company secretary***

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

### ***Removal of unnecessary provisions and simplification***

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

Further, the New Articles shall permit the Company's directors to change the name without shareholder approval.

## Part IV – Definitions

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

<b>Act</b>	the Companies Act 2006
<b>AIM</b>	the AIM market operated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies as published by the London Stock Exchange from time to time
<b>Announcement</b>	the announcement of the Proposed Sale published by the Company on 17 May 2023 incorporating termination of the Strategic Review and the Formal Sale Process
<b>Articles</b>	the articles of association of the Company, as in force from time to time
<b>Asset Purchase Agreement</b>	the agreement between the Company, Strike Limited and the Purchaser for the transfer of substantially all of the assets and liabilities of the Company to effect the Proposed Sale
<b>AVIV Group</b>	AVIV Group GmbH, a subsidiary of Axel Springer S.E.
<b>Business Day</b>	any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business
<b>Cancellation</b>	the cancellation of admission to trading of the Ordinary Shares on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution
<b>Cancellation Resolution</b>	the resolution to approve the Cancellation as set out in the Notice of General Meeting
<b>Change of Status Resolution</b>	the resolution to change the name of the Company, re-register as a private company and the adoption of the New Articles as set out in the Notice of General Meeting
<b>Circular</b>	this document
<b>Completion</b>	completion of the Proposed Sale in accordance with the Asset Purchase Agreement
<b>Company or Purplebricks</b>	Purplebricks Group plc
<b>CREST</b>	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>Directors or Board</b>	the directors of the Company as at the date of this Circular

<b>excluded liabilities</b>	<p>outstanding and future liabilities which are excluded from the liabilities the Purchaser is assuming under the Asset Purchaser Agreement being (in summary):</p> <ul style="list-style-type: none"> <li>(i) certain outstanding costs and expenses (including professional fees) incurred or to be incurred by the Group in connection with the Strategic Review, the Formal Sale Process, the Proposed Sale (other than in respect of costs for which the Company is indemnified by the Purchaser), the proposed return of proceeds to Shareholders and voluntary liquidation and other non-ordinary course corporate matters which were scheduled for payment on Completion of the Proposed Sale or are incurred after Completion; and</li> <li>(ii) liabilities owed to the Directors (other than Dominique Highfield), including as a result of them ceasing to be employed or engaged by the Company, and the costs associated with providing directors' and officers' liability insurance for the Directors.</li> </ul>
<b>Existing Ordinary Shares</b>	the 306,806,039 Ordinary Shares in issue as at the date of this document
<b>FSP or Formal Sale Process</b>	the formal sale process launched by the Company on 1 March 2023
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended) of the UK including any regulations made pursuant thereto
<b>General Meeting</b>	the General Meeting of the Company to be held at 9 a.m. on 2 June 2023
<b>Group</b>	the Company, its subsidiaries and its subsidiary undertakings
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Net Cash Proceeds</b>	the net cash proceeds available to be distributed to Shareholders and the deduction of certain costs and expenses to meet the excluded liabilities
<b>New Articles</b>	the new articles of association to be adopted at the General Meeting
<b>Notice of General Meeting</b>	the notice convening the General Meeting which is set out at the end of this document
<b>Ordinary Shares</b>	ordinary shares of 1 pence each in the capital of the Company
<b>Proposed Sale</b>	the proposed transfer of substantially all of the Purplebricks trading business and assets (other than the excluded assets and liabilities) for a consideration of £1 and the assumption of substantially all of the Company's liabilities
<b>Proposed Sale Resolution</b>	the resolution set out in the Notice of General Meeting to approve the Proposed Sale for the purposes of Rule 15 of the AIM Rules and Rule 21 of the Takeover Code
<b>Purchaser</b>	Strike Bidco Limited
<b>PwC</b>	PricewaterhouseCoopers LLP

<b>Registrar</b>	Link Group
<b>Regulatory Information Service or RIS</b>	has the meaning given to it in the AIM Rules
<b>Resolutions</b>	the Proposed Sale Resolution, the Cancellation Resolution and the Change of Status Resolutions set out in the Notice of General Meeting
<b>Shareholders</b>	holders of Ordinary Shares
<b>Strategic Review</b>	the strategic review launched by the Company on 17 February 2023
<b>Strike</b>	Strike Limited
<b>Takeover Code</b>	the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Takeover Panel
<b>Takeover Panel</b>	the Panel on Takeovers and Mergers
<b>uncertificated or in uncertificated form</b>	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
<b>Zeus</b>	Zeus Capital Limited

## Part V – Notice of General Meeting

### Purplebricks Group plc

*(incorporated and registered in England and Wales under the Companies Act 2006 with registered no. 08047368)*

**NOTICE IS HEREBY GIVEN** that a General Meeting of Purplebricks Group plc (the **Company**) will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ at 9.00 a.m. on 2 June 2023. The business of the meeting will be to consider and, if thought fit, to pass the following resolutions (the **Resolutions**), of which Resolution 1 will be proposed as an ordinary resolution of the Company and Resolutions 2, 3 and 4 will be proposed as a special resolution of the Company.

#### ORDINARY RESOLUTION

- 1 THAT the sale by the Company of its trading business and assets pursuant to the Asset Purchase Agreement (as defined in the circular to shareholders dated 17 May 2023 which accompanies this notice of meeting (the **Circular**)) be and is hereby approved and the directors of the Company, or any duly authorised committee thereof, be and are hereby authorised to take all necessary steps and to execute all other documents and deeds as they may consider to be necessary or desirable to conclude the Proposed Sale (as defined in the Circular);

#### SPECIAL RESOLUTIONS

- 2 THAT, conditional upon (i) Resolution 1 being approved and (ii) the completion of the Proposed Sale (as defined in Resolution 1), in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission to trading on AIM (the market of that name operated by London Stock Exchange plc) of the ordinary shares of 1 pence each be and is hereby approved and the directors of the Company be authorised to take all action reasonable or necessary to effect such cancellation.
- 3 THAT, conditional upon Resolution 1 being approved and (ii) the completion of the Proposed Sale (as defined in Resolution 1), the registered name of the Company be changed to Bricks Newco PLC.
- 4 THAT, conditional upon (i) Resolutions 1 and 2 being approved; (ii) the completion of the Proposed Sale (as defined in Resolution 1); and (iii) the Cancellation of the admission of the Ordinary Shares of 1 pence each in the capital of the company to trading on AIM becoming effective:
  - a. the Company be re-registered as a private limited company under the Companies Act 2006 by the name of Bricks Newco Limited; and
  - b. upon the re-registration of the Company under the Companies Act 2006 becoming effective, the regulations contained in the document submitted to the meeting and for the purposes of identification initialled by or on behalf of the chairman be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.



BY ORDER OF THE BOARD  
Mark Jenkins  
Company Secretary

*Registered Office  
First Floor  
1 Cranmore Drive  
Shirley, Solihull  
B90 4RZ*

Date: 17 May 2023

**Notes:**

- 1 Entitlement to attend and vote at the General Meeting will be determined by reference to the Company's Register of Members. In order to attend and vote at the General Meeting, a person must be entered on the Register of Members no later than close of business on 31 May 2023. A Shareholder's voting entitlement will depend on the number of shares held at that time. If the General Meeting is adjourned, such entitlement is determined by reference to the Register of Members at the close of business on the day, two days preceding the date fixed for the adjourned meeting. In each case, changes to the Register of Members after such time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- 2 If you wish to attend the General Meeting in person, you should arrive at the venue no more than 10 minutes before the start of the meeting, which will commence at 9.00am.
- 3 A Shareholder is entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. If a Shareholder appoints more than one proxy in relation to the General Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not also be a Shareholder, but must attend the meeting for the Shareholder's vote to be counted.
- 4 Shareholders may lodge their vote or appoint proxies no later than 9.00am on 31 May 2023:
  - a. by logging on via <https://www.signalshares.com> to submit their vote electronically. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrar, Link Group;
  - b. by requesting a hard copy form of proxy directly from the Company's registrar, Link Group, on telephone number 0371 664 0300 or by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales; or
  - c. via the new shareholder app, LinkVote+, by downloading the app on the Apple App Store or Google Play and following the instructions. Link Group, the company's registrar, has launched a shareholder app: LinkVote+. It's free to download and use and gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below.

Apple App Store	GooglePlay
	

- d. Your vote must be lodged by 9.00am on 31 May 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting.
- 5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the

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

- 6 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 & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy, or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 7 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International 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 ([www.euroclear.com](http://www.euroclear.com)).
- 8 Unless otherwise indicated on the form of proxy, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
- 9 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
- 10 If more than one valid proxy appointment is made in relation to the same share, the appointment last received before the latest time for the receipt of proxies will take precedence.
- 11 If two or more Shareholders jointly hold shares in the Company, each Shareholder may speak and vote at the General Meeting, appoint a proxy or give voting instructions. However, if more than one joint holder votes, appoints a proxy or gives voting instructions, the only vote, appointment or voting instruction which will count is the vote, appointment or voting instruction of the joint holder whose name is listed first in the Register of Members of the Company as regards that joint holding.
- 12 If an indirect Shareholder (who holds shares via a stockbroker or other nominee) wishes to (i) attend the General Meeting or (ii) appoint a proxy to speak and vote on their behalf at the General Meeting, or (iii) give voting instructions without attending the General Meeting, they must instruct the stockbroker or other nominee administrator accordingly. To do this, Shareholders are advised to contact their stockbroker or other nominee administrator and advise them which of the three options they prefer.
- 13 Indirect Shareholders who indicate they wish to attend the General Meeting will not receive an Attendance Card. They will therefore be asked to identify themselves at the General Meeting using a valid passport, identity card or photo driving licence. In addition, indirect Shareholders must have a Letter of Representation (on the letterhead of their stockbroker or their nominee) or be preregistered as a third party by the nominee in advance of the General Meeting.



- 14 If a Shareholder does not specify how they want the proxy to vote on a particular resolution, the proxy may vote or abstain as they see fit. A proxy may also vote or abstain as they see fit on any other business which properly comes before the General Meeting.
- 15 A corporation which is a Shareholder may appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder, as if the corporation were an individual Shareholder, provided that they do not do so in relation to the same share or shares. Shareholders considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
- 16 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution. If no voting indication is given, the Shareholder's proxy will vote or abstain from voting at their discretion. A proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the General Meeting.
- 17 Voting on each of the resolutions will be conducted by way of a poll rather than on a show of hands. The Company believes that a poll is more representative of the Shareholders' voting intentions because Shareholder votes are counted according to the number of shares held and all votes tendered are taken into account. The results will be announced via a Regulatory Information Service and made available on the Company's website at <https://www.purplebrickspc.com/investors> as soon as practicable following the conclusion of the General Meeting.
- 18 Any electronic address provided either in this Notice or any related documents (including the form of proxy) may not be used to communicate with the Company about proceedings at the General Meeting or the contents of this Notice or for any purposes other than those expressly stated.

#### **Shareholder enquiries**

If you require any assistance with voting or if you have any questions, please call the Company's registrar, Link Group, on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Alternatively, you may send an email to [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk).





