

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a duly authorised and regulated independent financial adviser.

If you have sold or transferred all your Ordinary Shares in Sarossa Plc, you should send this document, together with the accompanying Form of Proxy, to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Sarossa Plc

(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 115158)

Notice of Annual General Meeting including Proposed Share Consolidation and Proposed Tender Offer

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful. In particular the Ordinary Shares in Sarossa Plc have not been, and will not be, registered under the United States Securities Act of 1933 as amended (the "Securities Act") or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, South Africa or Japan and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, South Africa or Japan. Neither this document nor any copy of it may be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Australia, South Africa or Japan, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

This document and the accompanying documents should not be forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this document in jurisdictions other than the United Kingdom or Jersey may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Notice of an Annual General Meeting of the Company, to be held at the Company's registered office at Floor 1 Liberation Station, The Esplanade, St Helier, Jersey, JE2 3AS, at 11.00 a.m. on 26 October 2018 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the Annual General Meeting. To be valid, the Form of Proxy should be completed and returned in accordance with the instructions printed thereon as soon as possible and in any event so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD no later than 48 hours (not including non-working days) before the time appointed for holding the Annual General Meeting. Completion and posting of the Form of Proxy will not prevent a Shareholder from attending and voting in person at the Annual General Meeting.

Your attention is also drawn to the letter from the Independent Director of the Company which is set out on page 6 of this document and recommends that you vote in favour of the resolutions to be proposed at the Annual General Meeting.

TABLE OF CONTENTS

	<i>Page Number</i>
Expected Timetable of Principal Events	3
Definitions	4
PART I: Letter from the Independent Director	6
PART II: Extracts from 2018 Annual Report	11
Notice of Annual General Meeting	13

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2018

Publication of this document	1 October
Latest time and date for receipt of white Forms of Proxy in respect of the Annual General Meeting	11.00 a.m. on 24 October
Annual General Meeting	11.00 a.m. on 26 October
Expected announcement of results of the Annual General Meeting on the Company's website	26 October
Expected effective date for the Share Consolidation	29 October
Share Consolidation Record Date	6.00 p.m. on 29 October
Issue of New Ordinary Shares	30 October
Expected despatch of certificates for New Ordinary Shares	9 November
Expected settlement date for Fractional Entitlements: cheques despatched, assured payments made through CREST	9 November
Expected date of issue of Tender Forms to Shareholders and Tender Offer Record Date	9 November
Latest time and date for receipt of Tender Forms and TTE instructions	11.00 a.m. on 30 November
Expected completion of purchase of New Ordinary Shares under the Tender Offer	14 December
Expected announcement of results of the Tender Offer on the Company's website	14 December
Expected settlement date for the Tender Offer: cheques despatched, assured payments made through CREST (New Ordinary Share certificates for all unsold Shares posted)	14 December

All the above times refer to UK Time.

DEFINITIONS

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

“AGM” or “Annual General Meeting”	the annual general meeting of the Company (or any adjournment of such meeting) convened for 11.00 a.m. on 26 October 2018 at the registered office of the Company at Floor 1 Liberation Station, The Esplanade, St Helier, Jersey JE2 3AS, for which the notice is set out at the end of this document
“City Code”	The City Code on Takeovers and Mergers
“Company” or “Sarossa”	Sarossa Plc
“CREST”	the computer system (as defined in the Companies (Uncertificated Securities) (Jersey) Order 1999) operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form
“Directors” or “the Board”	the directors of the Company at the date of this document, whose names are set out on page 6 of this document
“Effective Date”	the proposed effective date of 29 October 2018 for the Share Consolidation (or such other date on which resolutions 5 and 6 are duly passed)
“Existing Ordinary Shares”	the existing ordinary shares of 1p each in the capital of the Company
“Form of Proxy”	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
“Fractional Entitlement”	Shareholdings of fewer than ten thousand Existing Ordinary Shares and Existing Ordinary Share holdings that are not divisible by ten thousand will become Fractional Entitlements (i.e. a fraction of one New Ordinary Share) as set out on page 6 of this document
“Independent Director”	Ross Hollyman
“Law”	the Companies (Jersey) Law 1991 (as amended)
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	ordinary shares of £100 each in the capital of the Company post the Share Consolidation
“Proposals”	the Share Consolidation and Tender Offer
“Receiving Agent”	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
“Restricted Territories”	the United States, Canada, Australia, South Africa or Japan
“Resolutions”	the resolutions to be proposed at the AGM as set out in the notice at the end of this document
“Share Consolidation”	a consolidation of the Company’s ordinary shares on the basis of one New Ordinary Share for every ten thousand Existing Ordinary Shares

“Shares”	ordinary shares in the Company being both Existing Ordinary Shares and New Ordinary Shares
“Shareholder”	a holder of Shares
“Tender Form”	the tender form which will be sent out to certificated Shareholders for use in respect of an acceptance of the Tender Offer
“Tender Offer”	the tender offer to buy back up to the equivalent of 6,930 New Ordinary Shares, details of which are set out in this document
“Tender Offer Amount”	the £1,074,150 value of the Tender Offer at the Tender Price
“Tender Offer Record Date”	expected to be 6.00 p.m. on 9 November 2018
“Tender Price”	£155 per New Ordinary Share
“TTE Instruction”	a transfer to escrow instruction (as defined in the CREST Manual by Euroclear)

PART I

LETTER FROM THE INDEPENDENT DIRECTOR

Sarossa Plc

(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 115158)

Directors

Richard Griffiths
Michael Bretherton
James Ede-Golightly
Ross Hollyman

Registered office

Floor 1 Liberation Station
The Esplanade
St Helier
Jersey
JE2 3AS

1 October 2018

To the Shareholders

Dear Shareholder

The notice convening the Annual General Meeting of the Company, which is to be held at 11.00 a.m. on 26 October 2018, is set out on page 13 of this document and enclosed is a Form of Proxy for use at the AGM.

The Company has today issued its Annual Report for the year ended 30 June 2018, a copy of which is available at the Company's website www.sarossapl.com under the Investor Centre/Financial Reports section. Extracts from that 2018 Annual Report are set out on page 11 of this document, together with contact details for any shareholders who wish to request a hard copy thereof.

The Share Consolidation

I draw your attention to the AGM resolutions 5 and 6, which, if passed, will result in a consolidation of the Company's ordinary shares on the basis of one New Ordinary Share of £100 for every ten thousand Existing Ordinary Shares. Subject to the passing of such resolutions, the proposed effective date for the Share Consolidation will be 29 October 2018 (or such other date following on which the resolutions 5 and 6 are duly passed). On completion of the Share Consolidation, registered shareholders holding fewer than ten thousand Existing Ordinary Shares on the Effective Date will hold a Fractional Entitlement (i.e. a fraction of one New Ordinary Share).

The resolutions to implement the Share Consolidation are proposed in order to achieve a shareholder structure that is more appropriate for a private company of Sarossa's size and to reduce the burden of a large number of shareholders retaining interests in the Company of minimal value, whilst also providing small shareholders with a proposed liquidity opportunity through the sale of their Fractional Entitlements by the Board. In addition, all shareholders will be provided with a proposed liquidity opportunity at the Tender Price under the Tender Offer referred to below.

In the week following the Share Consolidation, the Board proposes to use its power under the articles of association of the Company to sell all Fractional Entitlements at the best available price. To ensure that this price is at least equal to a pro rata proportion of the £155 Tender Price (equivalent to 1.55 pence per Existing Ordinary Share), the Board has secured a commitment from Blake Holdings Limited (a controlled undertaking of the Company's major shareholder, Richard Griffiths), to purchase all Fractional Entitlements that the Board resolves to sell to it at such pro rata proportion of the Tender Price. **The net proceeds of sale of Fractional Entitlements will be distributed pro rata to the relevant shareholders but, to avoid the cost burden of processing small payments, shareholders will only receive a payment where the value of their Fractional Entitlements is £5 or more.**

The Share Consolidation is expected to generate Fractional Entitlements with a total aggregate value of not less than £54,070, with each such Fractional Entitlement having a value being not less than a pro rata proportion of the Tender Price, and the sale of such Fractional Entitlements is expected to result in a reduction in the number of registered shareholders from 1,560 to approximately 343.

Shareholders with ten thousand Existing Ordinary Shares or more on the Effective Date will only be issued with New Ordinary Shares in respect of each round lot of ten thousand Existing Ordinary Shares held on the Effective Date. Shareholdings of fewer than ten thousand Existing Ordinary Shares and Existing Ordinary Share holdings that are not divisible by ten thousand will become Fractional Entitlements and sold as outlined above.

Following the Effective Date, existing share certificates for Existing Ordinary Shares will be cancelled and new share certificates will be issued in respect of the New Ordinary Shares within ten working days of the Effective Date. Payments in respect of the sale of Fractional Entitlements will also be made within ten working days of the Effective Date i.e. are expected to be made by 9 November 2018.

Shareholders will not be required to take any action in order to sell Fractional Entitlements as this will be undertaken by the Board under the arrangements referred to above.

The Tender Offer

The Directors are aware that following the cancellation of Sarossa's shares from the AIM market of the London Stock Exchange "the AIM Market" that took effect on 1 February 2016, certain Shareholders may still want the opportunity to realise their shareholdings in the Company. The Directors are, therefore, on condition that the Share Consolidation resolutions are passed, seeking Shareholder approval to obtain an authority to enable the Company to buy back up to an equivalent of 6,930 New Ordinary Shares under a Tender Offer (representing an equivalent of approximately 15 per cent. of the Shares in issue) at a price of £155 per New Ordinary Share and thereby provide liquidity for Shareholders.

The Tender Offer will be made to all shareholders holding New Ordinary Shares in issue post the Share Consolidation and which will amount to 46,201 New Ordinary Shares, but irrevocable undertakings to not accept the Tender Offer have been received from all of the Directors in respect of the 28,651 New Ordinary Shares that they would then hold (excluding any Shares in respect of Fractional Entitlements that might be acquired by Blake Holdings Limited), so that the maximum level of acceptances from Shareholders to buyback any New Ordinary Shares under the Tender Offer is 17,550 New Ordinary Shares. Given that the maximum number of New Ordinary Shares which may be bought back under the Tender Offer is 6,930 New Ordinary Shares, having a value (at the Tender Price) of the maximum Tender Offer Amount of £1,074,150 and so Shareholders may have their applications scaled back by up to 60.5 per cent. if the Tender Offer is oversubscribed.

The approval of Shareholders is required to authorise the Company to purchase New Ordinary Shares under the Tender Offer as a requirement of the Law and the Resolutions include Resolutions 7 and 8 for this purpose, being a special resolution to sanction the buyback of New Ordinary Shares pursuant to the Tender Offer and an ordinary resolution approving the terms of the buyback pursuant to the terms of this document (the "Ordinary Resolution"). Under the Law, no New Ordinary Shares which are to be purchased by the Company shall carry the right to vote on the Ordinary Resolution. However, irrevocable undertakings to vote in favour of the Ordinary Resolution 8 have been received from all of the Directors whose holdings amount to 286,510,007 Existing Ordinary Shares representing 62.0 per cent. of the Existing Ordinary Shares in issue and on which basis that Ordinary Resolution is expected to be passed at the AGM.

The Tender Price of £155 per New Ordinary Share reflects an estimate of fair market price based on historic transactions in the Existing Ordinary Shares including the 1.31 pence price (equivalent to £133 in post Share Consolidation form) at which such shares were bought back in the AIM Market in the month prior to the 1 February 2016 cancellation of Sarossa's shares from AIM. The Tender Price also compares with the 1 pence price per Existing Ordinary Share (equivalent to £100 in post Share Consolidation form) which Blake Holdings Limited paid following the 26 June 2017 closing date of its unconditional mandatory cash offer made to all Sarossa's Shareholders. The Tender Price represents a discount of 54.4 per cent. to Sarossa's audited net asset value per share as at 30 June 2018 in post Share Consolidation form.

Shareholders on the register of members of the Company at the Tender Offer Record Date (other than certain overseas Shareholders in Restricted Territories) may offer to sell up to a maximum of 100 per cent. of their holdings of New Ordinary Shares at the Tender Offer Record Date but Shareholders may have their applications scaled back if the Tender Offer is oversubscribed. The Tender Offer is subject to the passing of the various resolutions referred to above.

The basis of any scaling back will be pro rata, save that to avoid registered Shareholders who tender all of their New Ordinary Shares being left with very small numbers of New Ordinary Shares following any scaling back of applications, registered Shareholders who tender all of their New Ordinary Shares where they hold 10 New Ordinary Shares or less (having a value of £1,550 or less at the Tender Price) will not have their applications scaled back. Any pro rata scaling back of the remaining applications will be done by comparing the value of the remaining New Ordinary Shares tendered at the Tender Price with the Tender Offer Amount less the unscaled amount (being the value of small Shareholder tenders accepted and bought in full at the Tender Price), rounded down to the nearest number of New Ordinary Shares.

Registered Shareholders holding shares as nominee on behalf of any multiple beneficial owners holding 100,000 or less Existing Ordinary Shares (being 10 or less New Ordinary Shares in post Share Consolidation form) and who want to avoid any potential scaling back, would need to transfer these shares into separate registered Shareholder accounts prior to the expected Tender Offer Record Date of 11.00 a.m. on 9 November 2018.

The funds required for the Tender Offer will be financed by the Company from its existing cash and liquid investment resources. New Ordinary Shares will be purchased under the Tender Offer at the Tender Price and will be cancelled and not reissued. The issued shares of the Company will be reduced by the amount of those New Ordinary Shares that are cancelled. It is expected that payments in respect of successful applications received under the Tender Offer will be made by 14 December 2018. The Tender Offer will allow the Company to return up to £1,074,150 to Shareholders who may wish to receive cash for their holdings of New Ordinary Shares. Shareholders who do not wish to participate in the Tender Offer or whose applications are scaled back in the Tender Offer (if it is oversubscribed) will continue to hold New Ordinary Shares.

If Resolutions 5, 6, 7 and 8 are passed at the AGM on 26 October 2018, then it is expected that Tender Forms will be sent out on 9 November 2018 to all Shareholders holding New Ordinary Shares, together with details of the action to be taken by Shareholders who wish to make an application to sell New Ordinary Shares under the Tender Offer and a guide to the completion of the Tender Form and TTE instruction.

Controlling Shareholder

Richard Griffiths is a director of the Company and holds a 59.3 per cent. beneficial interest in the Company through his controlled undertaking Blake Holdings Limited, and as a result, Sarossa is also a controlled undertaking of Mr Griffiths. Michael Bretherton and James Ede-Golightly are both directors of the Company and also hold other directorships in common with Mr Griffiths or at companies where Mr Griffiths has a significant shareholding and hence Michael Bretherton and James Ede-Golightly are both treated as acting in concert with Richard Griffiths for the purposes of the City Code and together they all comprise the "Blake Concert Party".

Accordingly, none of the above Directors are deemed to be independent. I, Ross Hollyman, act as the Independent Director and do not hold any shares in the Company.

If the Tender Offer is fully subscribed and Blake Holdings Limited is able to purchase all of the Fractional Entitlements under the arrangements referred to on page 6, the shareholding interests of the Blake Concert Party, whose members have all given irrevocable undertakings to not accept the Tender Offer, would increase from a current 62.0 per cent. to a maximum 73.8 per cent. interest in the Shares.

Taxation

Shareholders should note that the statements below do not purport to deal with the tax consequences applicable to all categories of Shareholders arising from the Proposals and are only of a general nature.

The proceeds to be received by Jersey resident Shareholders from either the sale of Fractional Entitlements following the Share Consolidation or the proposed buyback of New Ordinary Shares under the Tender Offer

are expected to be regarded, for Jersey tax purposes, as income receipts liable to income tax. However, in some circumstances, the Income Tax (Jersey) Law 1961 may specifically exempt this income. This position may vary from investor to investor. This statement is based on Jersey tax laws in effect and on administrative interpretations of these tax laws, as of the date of this Document.

We have not sought UK taxation advice with regard to the proposed Share Consolidation or Tender Offer. We believe, however, that in the case of UK tax payers, receipts from either the sale of Fractional Entitlements following the Share Consolidation or the proposed buyback of New Ordinary Shares under the Tender Offer are expected to be regarded, for UK tax purposes, as income receipts liable to income tax.

If you are in any doubt about your tax position you should consult an appropriate independent professional adviser to determine the correct tax treatment of the proposed Tender Offer, and if approved, to ensure that it is correctly reported in your tax return.

Overseas Shareholders

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the buyback of New Ordinary Shares pursuant to the Tender Offer, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed in such jurisdiction.

ANNUAL GENERAL MEETING

The full business of the AGM is set out in the notice on page 13 and explained below.

ORDINARY BUSINESS

The ordinary business of the AGM is the approval of the Annual Report of the Company for the year ended 30 June 2018, the re-election of Richard Griffiths and James Ede-Golightly as a Directors of the Company and the re-appointment of Grant Thornton Limited as auditors.

SPECIAL BUSINESS

The special business of the Company is as follows:

The Share Consolidation and Amendment of Memorandum

Resolution 5 is a special resolution to approve the consolidation of the Company's Ordinary Shares on the basis of the New Ordinary Share of £100 for every ten thousand Existing Ordinary Shares of 1p each.

Resolution 6 is a special resolution to amend the memorandum of association of the Company to enable a consolidation of the Company's ordinary shares on the basis of one New Ordinary Share of £100 for every ten thousand Existing Ordinary Shares of 1p each.

Share Purchase

Resolution 7 is a special resolution and gives the Company the authority to make purchases of up to the equivalent of 6,930 New Ordinary Shares in the capital of the Company by means of the Tender Offer.

The Tender Offer

Resolution 8 is an ordinary resolution to approve the contracted terms of the Tender Offer pursuant to s57(3)(a) of the Law.

Authority to allot further Ordinary Shares

Resolution 9 is an ordinary resolution to authorise the Directors to allot Ordinary Shares pursuant to Article 5.3. The Articles require that the authority of the Directors to allot ordinary shares should be subject to the

approval of Shareholders, and it is proposed to grant the Directors authority to allot further Shares up to a total par value of £1,540,028.60, such authority to expire on whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2019 or the date falling 15 months after the passing of this resolution.

Resolution 10 is a special resolution to disapply the pre-emption rights under Article 5.10. The Articles require that any ordinary shares issued for cash must be offered to existing Shareholders in proportion to their existing holdings unless otherwise approved by Shareholders in general meeting. Accordingly it is proposed to allow the Directors to allot unissued Shares for cash without first offering them to existing Shareholders, provided that the Directors may not offer Shares in this manner which exceed a total par value of £924,016.96, such authority to expire on whichever is the earlier of the conclusion of the annual general meeting of the Company to be held in 2019 or the date falling 15 months after the passing of this resolution.

Implementation of The Tender Offer is conditional upon the passing of Resolution 5, Resolution 6, Resolution 7 and Resolution 8 at the Annual General Meeting.

Pursuant to article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended), the Company specifies that only those members registered on the Company's register of members at:

- 11.00 a.m. on 24 October 2018; or,
- if the Annual General Meeting is adjourned, at 11.00 a.m. on the day two days (not including non-working days) prior to the adjourned meeting,

shall be entitled to attend and vote at the Meeting.

Following the Annual General Meeting, the Company will announce its result on the Company's website under Investor Centre/Annual and General Meetings.

Voting on the Annual General Meeting Resolutions

You will find enclosed with this document a Form of Proxy for use at the Annual General Meeting. Please complete, sign and return the Form of Proxy as soon as possible in accordance with the instructions printed thereon. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the enclosed Form of Proxy and return it to the Company's transfer agent, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, so as to arrive as soon as possible, and in any event no later than 24 October 2018 being 48 hours (not including non-working days) before the time appointed for the Annual General Meeting. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you wish to do so.

A copy of this document will be posted to all Shareholders on the register as at the date of this document, copies are also available to all registered Shareholders and beneficial Shareholders by request to the Company in writing to its registered office Floor 1 Liberation Station, The Esplanade, St Helier, Jersey JE2 3AS or by e-mail request to office@sarossapl.com.

Recommendation

I, the Independent Director, consider the Proposals to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole and I, therefore, recommend that you vote in favour of all of the Resolutions.

Yours sincerely,

Ross Hollyman
Independent Director

PART II

EXTRACTS FROM THE 2018 ANNUAL REPORT

In the interests of cost saving and environmental benefits, and as permitted by its articles of association, the Company does not intend to send a hard copy of the 30 June 2018 Annual Report to its Shareholders, but has made this document available on its website and notified Shareholders of such by way of this document.

Shareholders who wish to receive a hard copy of the Annual Report are entitled to require a copy to be sent within 21 days of the Company receiving a request to do so. Any shareholders requiring a hard copy should, therefore, write to the Company at its registered office address shown above or, alternatively, email: office@sarossapl.com with their name and postal address and their request.

Principal Activity

Sarossa is an investment and management company whose principal activity is investment in and growth and development of businesses which present opportunities for value creation. The Company is mainly focused on portfolio businesses with product and service platforms targeting major international markets through customers and partners with an international profile.

Board Changes

As reported in the Company's annual financial statements for the year ended 30 June 2017, Sarossa became a controlled undertaking of Richard Griffiths following the closure, on 26 June 2017, of an unconditional mandatory offer made to the Sarossa's shareholders by one of his controlled companies, Blake Holdings Limited.

Richard Griffiths subsequently held meetings with the directors of Sarossa to consider and review measures to strengthen the management of the Company and to enhance value creating opportunities for Sarossa's shareholders. Following these meetings, Richard Griffiths joined the board of Sarossa as Executive Chairman on 1 December 2017 at which point Michael Bretherton moved over to become Chief Executive Officer. James Ede-Golightly, who has a wealth of experience across a variety of international businesses, also joined the board as a non-executive director from 1 April 2018.

In addition, Jonathan Morley-Kirk stepped down from the board as a non-executive director at the end of January 2018 and is thanked for his service to the Company.

Corporate Event Proposals

Summary details are provided of the share consolidation and tender offer proposals as more fully set out in this circular to shareholders dated 1 October 2018.

Investments

During the year, the Company spent £4.02 million on the purchase of shares in 2 new portfolio investments and £1.96 million on 2 further follow on investments. The Company holds currently 6 portfolio investments, all of which are quoted, and for which the carrying value at 30 June 2018 was £15.58 million (30 June 2017: £9.10 million represented by 5 quoted holdings).

Key performance indicators

Key performance indicators for the two years to 30 June 2018 are set out below:

	30 June 2018	30 June 2017
Net assets (£ million)	15.72	13.73
Net asset value per share (pence)	3.40	2.97
Profit after tax (£ million)	1.99	2.87
Operating profit (£ million)	1.98	2.85
Cash and short term deposits with banks (£ million)	0.14	4.65

Profit and loss

The profit after tax for the year ended 30 June 2018 was £1.99 million compared to a profit of £2.87 million in the previous year. The increase in profitability in the current year is due principally to dividend income and increases in the market prices of the portfolio investments.

Administrative costs were £0.48 million for the year compared to £0.34 million in the prior year. The increase in overhead costs is associated with the increase in the number of executive directors and investment consultancy fees.

Interest from deposits for the year amounted to £0.03 million versus £0.02 million in the previous year.

Balance Sheet

Net assets at 30 June 2018 amounted to £15.72 million compared with £13.73 million at 30 June 2017.

Cash and short-term deposit balances were £0.14 million at 30 June 2018 compared to cash and short term deposit balances of £4.65 million at 30 June 2017.

Cash flow

The Company's overall cash and short-term deposits position decreased by £4.51 million during the year. This decrease mainly reflects £5.98 million spent on the purchase of additional shares in portfolio investments, partially offset by £0.79 million generated from the disposal of investments, together with other cash inflows of £0.68 million in respect of dividends, interest, overheads and working capital movements.

Sarossa Plc

(Incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 115158)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2018 Annual General Meeting of Sarossa Plc (the “**Company**”) will be held at 11.00 a.m. on 26 October 2018 at the Company’s registered office at Floor 1 Liberation Station, The Esplanade, St Helier, Jersey, JE2 3AS for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Directors’ Report, the audited Financial Statements and Independent Auditors’ Report for the year ended 30 June 2018.
2. To consider and, if thought fit, to approve the re-appointment of Richard Griffiths as a director of the Company, who retires pursuant to the articles of association of the Company (the “**Articles**”) and who is recommended by the board of directors of the Company (the “**Board**”) for re-appointment.
3. To consider and, if thought fit, to approve the re-appointment of James Ede-Golightly as a director of the Company, who retires pursuant to the articles of association of the Company (the “**Articles**”) and who is recommended by the board of directors of the Company (the “**Board**”) for re-appointment.
4. To consider and, if thought fit, to approve the re-appointment of Grant Thornton Limited as auditors of the Company and to authorise the Board to determine their remuneration.

SPECIAL BUSINESS

As special business to consider and, if thought fit, pass the following resolutions, of which resolutions 8 and 9 will be proposed as ordinary resolutions and resolutions 5, 6, 7 and 10 will be proposed as special resolutions:

Consolidation of share capital

5. **THAT** the issued share capital of the Company comprising 462,010,000 Existing Ordinary Shares of 1p each be consolidated into 46,201 New Ordinary Shares of £100 each on the basis of one New Ordinary Share for every ten thousand Existing Ordinary Shares in accordance with and subject to the terms of the Share Consolidation and related definitions which are set out in the circular to shareholders of the Company dated 1 October 2018, such New Ordinary Shares having the same rights and being subject to the same restrictions (save as to nominal value) as the Existing Ordinary Shares as having the rights set out in the Company’s memorandum and articles of association (such capitalised expressions shall bear the meanings attributed to them in the circular to shareholders dated 27 September 2018 enclosing this notice).

Amendment of the Memorandum

6. **THAT** Clause 4 of the memorandum of association of the Company be and is hereby replaced in this entirety with a new Clause 4 as follows:

“4. The share capacity of the Company is £10,000,000.00 divided into 100,000 shares of one class designated as Ordinary Shares with a par value of £100 each.”

Share Repurchase

7. **THAT** subject to the passing of Resolutions 5 and 6 in this notice, the Company be and is hereby authorised to make purchases of up to an equivalent of 6,930 New Ordinary Shares, together having a Tender Offer Amount value of £1,074,150 (such capitalised expressions shall bear the meanings attributed to them in the circular to shareholders dated 1 October 2018 enclosing this notice).

Tender Offer

8. **THAT** the terms of the Tender Offer and related definitions set out in the circular to shareholders of the Company dated 1 October 2018, which terms for the purposes of and in satisfaction of article 57(3)(a) of the Companies (Jersey) Law 1991 (as amended), constitute the contract to purchase such shares which is hereby approved.

Allotment of shares

9. **THAT** the Board be hereby generally and unconditionally authorised, in substitution for all previous powers granted to it, pursuant to article 5.3 of the Articles to exercise all the powers of the Company to allot and make offers to allot relevant securities (as defined in article 5.11 of the Articles) up to an aggregate nominal amount of £1,540,028.60 provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2019 or the date falling 15 months after the passing of this resolution (whichever is earlier) save that the Company may before such expiry make an offer or enter into an agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Disapplication of pre-emption rights

10. **THAT** the Board be authorised and empowered, in substitution for all previous power granted to it, pursuant to article 5.10 of the Articles to allot equity securities (as defined in article 5.11 of the Articles) for cash pursuant to the authority referred to in resolution 7 above as if articles 5.4 to 5.8 of the Articles do not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

10.1 on a pro rata basis to the holders of ordinary shares in the Company where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under law or the requirements of any regulatory body or any recognised stock exchange in any territory; and

10.2 up to an aggregate nominal amount of £924,016.96 otherwise than pursuant to paragraph 8.1 above,

and this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the annual general meeting of the Company to be held in 2019 or the date falling 15 months after the passing of this resolution (whichever is earlier) save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

On behalf of the Board

Sarossa Plc

Registered office:
Floor 1 Liberation Station
The Esplanade
St Helier
Jersey
JE2 3AS

James Sutcliffe

1 October 2018

Explanatory Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more persons as proxy to attend, speak and vote at the meeting instead of such shareholder provided that if two or more proxies are appointed, each proxy must be appointed to exercise the rights attaching to different shares. A proxy need not also be a shareholder. The delivery of an appointment of proxy shall not preclude a shareholder from attending and voting at the meeting or at any adjournment thereof.
2. A form of proxy is enclosed. If you do not intend being present at the meeting and in order for the proxy to be valid please sign and return it so as to reach the Company's Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, at least 48 hours (not counting non-working days) before the time appointed for holding the meeting (or, as the case may be, any adjournment of such meeting). The return by a member of a duly completed form of proxy will not preclude such member from attending in person and voting at the meeting.
3. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the senior (by order in the register of members) who tenders a vote will be accepted to the exclusion of the others.
4. The quorum for the meeting is two shareholders present either in person or by proxy. The majority required for the passing of Resolutions 5, 6, 7 and 10 being special resolutions, is three-quarters of the total number of votes cast on those resolutions and for Resolutions 1 to 4 and Resolutions 8 and 9, being ordinary resolutions, is a simple majority of the total number of votes cast on those ordinary resolutions. Shareholders are entitled to ask questions in relation to the business of the meeting.
5. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act as proxy in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
6. CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the Annual General Meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed Proxy must be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) no later than 11.00 a.m. on 24 October 2018. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take 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 sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in article 34(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999.
7. Pursuant to article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999 (as amended), the Company specifies that only those shareholders entered in the Company's register of members 48 hours (not counting non-working days) before the date fixed for the general meeting will be entitled to attend or vote at the meeting and that the number of votes which any such shareholder may cast, upon a poll, will be determined by reference to the number of shares registered in such shareholder's name at the time. Changes to entries on the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote the meeting.
8. Copies of the directors' service contracts, other than those expiring or determinable without payment of compensation within one year, are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday and public holidays excluded) from the date of this notice until the general meeting and will be available for inspection at the place of the general meeting for at least 15 minutes prior to and during the meeting.
9. In accordance with the provisions of article 57(3)(b) of the Companies (Jersey) Law 1991 (as amended), shares held by shareholders who accept the Tender Offer shall not carry the right to vote on Resolution 8. The passing of Resolution 8 is conditional on the passing of Resolutions 5, 6 and 7.

