

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 ("FSMA") if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This Document is prepared for the purposes of the General Meeting convened pursuant to the Notice of General Meeting set out at the end of this Document. This Document can also be obtained free of charge on request from the Company's Registrars, Share Registrars Limited, or from the Company's website at www.otaq.com.

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

OTAQ PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with company number 11429299)

Placing of £1.7 million OTAQ 10 per cent. Secured Convertible Loan Notes 2027

Broker Option through Dowgate Capital to allocate up to an additional £1.0 million OTAQ 10 per cent. Secured Convertible Loan Notes 2027

Approval of Waiver under Rule 9 of the City Code on Takeovers and Mergers

Notice of General Meeting

***AQSE Corporate Adviser and Broker* Dowgate Capital Limited**

This Circular should be read as a whole. Your attention is drawn to the letter from the Independent Director which is set out in Part I of this Circular. The letter contains a recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. The Notice of the General Meeting of the Company to be held at 10.00 a.m. on 12 July 2024 at the Company's offices at The Barracks, White Cross, Lancaster, LA1 4XF is set out in Part III of this Circular.

A Form of Proxy for use at the General Meeting is enclosed with this document, if received in hard copy form, and available on the Company's website at www.otaq.com. Shareholders are requested to complete and return the Form of Proxy, whether or not they intend to be present at the General Meeting, in accordance with the instructions printed on it. To be valid, Forms of Proxy should be completed and returned in accordance with the instructions set out therein to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX (by post or by hand) or online at www.shareregistrars.uk.com as soon as possible and, in any event, no later than 10.00 a.m. on 10 July 2024, being 48 hours (not counting any part of a day that is not a Business Day) before the time appointed for the holding of the General Meeting. If you have questions on how to complete the Form of Proxy, please contact Share Registrars Limited on 01252 821390 or, if calling from outside the United Kingdom, +44 (0)1252 821390. Lines are open from 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except English and Welsh public holidays). 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. Or email Share Registrars Limited at Enquiries@shareregistrars.uk.com.

You are able to vote electronically by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions (the relevant log-in details can be located on the top of the Form of Proxy). Whether or not you propose to attend the meeting, please complete and submit a proxy appointment in accordance with the notes to the Notice of the General Meeting set out later in this document. To be valid, the proxy appointment must be received for delivery specified in the notes to that Notice of General Meeting by no later than 10.00 a.m. on 10 July 2024, being 48 hours (not counting any part of a day that is not a Business Day) before the time appointed for the holding of the General Meeting.

A summary of the action to be taken by Shareholders in relation to the General Meeting is set out on page 19 of this Circular and in the Notice of General Meeting which begins on page 31 of this Circular. Completion and return of a Form of Proxy, the giving of a CREST Proxy Instruction, or the completion of a proxy form online using the link www.shareregistrars.uk.com will not preclude Shareholders from attending and voting in person at the General Meeting (in substitution for their proxy vote) if they wish to do so and are so entitled.

Dowgate Capital Limited (“**Dowgate Capital**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for OTAQ and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this or not a recipient of this Circular) as its client in relation to the Placing and will not be responsible to anyone other than OTAQ for providing the protections afforded to its clients nor for providing advice in connection with the Placing or any other matter referred to herein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dowgate Capital by FSMA or the regulatory regime established thereunder, neither Dowgate Capital nor any of its affiliates accepts any responsibility whatsoever or makes any representation or warranty, express or implied, to any person in respect of any acts or omissions of the Company in relation to the Placing for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by or on behalf of it, the Company or the Directors in connection with the Company, the Convertible Loan Notes or the Placing and other matters referred to in this document and nothing in this document is or shall be read as a promise or representation in this respect whether as to the past or future. Dowgate Capital accordingly disclaims all and any liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of any acts or omissions of the Company in relation to the Placing, the Convertible Loan Notes or this document or any such statement.

Guild Financial Advisory Limited (“**Guild Financial**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the OTAQ and the Independent Director and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this or not a recipient of this Circular) as its client in relation to the Placing and will not be responsible to anyone other than OTAQ and the Independent Director for providing the protections afforded to its clients nor for providing advice in connection with the Placing or any other matter referred to herein.

The distribution of this Circular may be restricted by law in certain jurisdictions and persons into whose possession it or any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any jurisdiction.

The Convertible Loan Notes have not, nor will they be, registered under the Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Russia, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The Convertible Loan Notes may not be offered or sold directly or indirectly in or into the United States, unless registered under the Securities Act or offered in a transaction exempt from or not subject to the registration requirements of the Securities Act, or, subject to certain exceptions, into Russia, Australia, Canada, Japan, New Zealand or the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of Russia, Australia, Canada, Japan, New Zealand or the Republic of South Africa. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended.

Copies of this Document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the Company’s registered office from the date of this Document. A copy of this Document will also be available from the Company’s website at www.otaq.com. The contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this Document and should not be relied upon.

The date of this Document is 26 June 2024

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraise	26 June 2024
Publication of this Circular	26 June 2024
Latest time and date for receipt of completed Forms of Proxy and electronic proxy submissions	10.00 a.m. on 10 July 2024
Latest time and date for CREST voting instructions	10.00 a.m. on 10 July 2024
General Meeting	10.00 a.m. on 12 July 2024
Result of General Meeting announced	as soon as possible on 12 July 2024
Issue of the Convertible Loan Notes under the Placing	as soon as possible following the General Meeting
Expiry of the Broker Option	5.00 p.m. on 31 December 2024

Notes:

- 1 References to times in this Document are to London time unless otherwise stated.
- 2 If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RIS (and posted on the Company's website).
- 3 All events in the above timetable following the General Meeting, in particular the issue of the Convertible Loan Notes by the Company, are conditional upon approval by the Shareholders of the Resolutions.

IMPORTANT INFORMATION

Forward-looking statements

This document contains forward-looking statements which are based on the beliefs, expectations and assumptions of the Directors and other members of senior management about the Group's businesses. All statements other than statements of historical fact included in this Document may be forward-looking statements. Generally, words such as "will", "may", "should", "could", "estimates", "continue", "believes", "expects", "aims", "targets", "projects", "intends", "anticipates", "plans", "prepares", "seeks" or, in each case, their negative or other variations or similar or comparable expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance, and there can be no assurance that the expectations reflected in such forward-looking statements will prove to have been correct. Rather, they are based on the current beliefs, expectations and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and are difficult to predict, that may cause actual results, performance, plans, objectives, achievements or events to differ materially from those express or implied in such forward-looking statements. Undue reliance should, therefore, not be placed on such forward-looking statements.

New factors will emerge in the future, and it is not possible to predict which factors they will be. In addition, the impact of each factor on the Group's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statement or statements cannot be assessed, and no assurance can therefore be provided that assumptions will prove correct or that expectations and beliefs will be achieved.

Any forward-looking statement contained in this Document based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this Document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed historical or published earnings of the Group.

Each forward-looking statement speaks only as at the date of this Document and is not intended to give any assurance as to future results. The Company and/or its Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein as a result of new information, future events or other information, except to the extent required by the AQSE Listing Rules, the Disclosure Guidance and Transparency Rules or by applicable law.

Interpretation

Certain terms used in this Document are defined and certain technical and other terms used in this Document are explained at the section of this Document under the heading Definitions.

All times referred to in this Document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this Document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE, AND ADVISERS

Directors	Adam Reynolds (<i>Non-Executive Chairman</i>) Philip Newby (<i>Chief Executive Officer</i>) Justine Dowds (<i>Chief Financial Officer</i>) Harald Rotsch (<i>Chief Technology Officer</i>) Sarah Stoten (<i>Non-Executive Director</i>) Giles Clifford (<i>Non-Executive Director</i>)
Company Secretary	Justine Dowds
Registered Office	OTAQ plc 8-3-4 Harpers Mill South Road White Cross Lancaster LA1 4XF
Financial Adviser, Corporate Broker and AQSE Corporate Adviser	Dowgate Capital Limited 15 Fetter Lane London EC4M 7LT
Independent Financial Adviser	Guild Financial Advisory Limited 382 Russell Court Woburn Place London WC1H 0NH
Legal Advisers to the Company	CMS Cameron McKenna Nabarro Olswang LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Legal Advisers to Dowgate Capital	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Registrar and Receiving Agent	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

DEFINITIONS

The following definitions apply throughout this Circular (unless the context requires otherwise):

“AQSE”	Aquis Stock Exchange Limited, a company incorporated in England and Wales with registered company number 04309969 and a recognised investment exchange under section 290 of FSMA;
“AQSE Growth Market”	the primary growth market for unlisted securities operated by AQSE;
“AQSE Rules”	the rules contained in the AQSE Growth Market Access Rulebook for issuers in effect from time to time, which set out the admission requirements and continuing obligations of companies seeking admission to and whose securities are admitted to trading on the Access segment of the AQSE Growth Market issued by AQSE;
“Board” or “Board of Directors”	the board of directors of the Company from time to time;
“Broker Option”	the option granted by the Company allowing Dowgate Capital to elect to conditionally place the Broker Option Convertible Loan Notes, further details of which are set out in paragraph 3 of the Independent Director’s letter on pages 12 to 14 (inclusive) of this Document;
“Broker Option Convertible Loan Notes”	the up to £1.0 million Convertible Loan Notes which may be issued by the Company pursuant to the Broker Option to be constituted by the Convertible Loan Note Instrument;
“Business Day”	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday;
“CBILS Loan”	the £0.8 million loan owed by OTAQ Aquaculture Limited to Growth Lending 2020 Limited (trading as BOOST & Co) pursuant to a loan agreement dated 3 February 2021 entered into between <i>inter alia</i> OTAQ Aquaculture Limited and Growth Lending 2020 Limited;
“Circular” or “Document”	this document;
“Companies Act”	the Companies Act 2006, as amended, modified or re-enacted from time to time;
“Company” or “OTAQ”	OTAQ plc, incorporated in England and Wales with number 11429299 and having its registered office at 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England LA1 4XF;
“Concert Party”	certain shareholders of the Company who were considered to be ‘acting in concert’ with each other in relation to the Company for the purposes of the Takeover Code, upon completion of the Company’s acquisition of OTAQ Group Limited on 31 March 2020;
“Convertible Loan Note Instrument”	the instrument executed by the Company and by Dowgate Wealth (in its capacity as agent for the Noteholders) on 26 June 2024 creating the Convertible Loan Notes;
“Convertible Loan Notes”, “Notes” or “CLNs”	10 per cent. secured Convertible Loan Notes 2027 to be created and issued by the Company pursuant to the Convertible Loan Note Instrument;

“CREST”	the computer-based system (as defined in the CREST Regulations) operated and administered by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Directors”	the current directors of the Company or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
“Dowgate Capital”	Dowgate Capital Limited, the Company’s placing agent, financial adviser for the purposes of the Placing and AQSE Corporate Adviser and a subsidiary of Dowgate Group Limited;
“Dowgate Group”	Dowgate Group Limited, the parent company of Dowgate Capital and Dowgate Wealth, together with Dowgate Capital and Dowgate Wealth;
“Dowgate Wealth”	Dowgate Wealth Limited, an investment management company and a subsidiary of Dowgate Group Limited;
“Enlarged Concert Party”	those parties listed in paragraph 7 of Part I and further information on which/whom are set out in paragraph 4 of Part II of this Document, who are considered to be ‘acting in concert’ with each other in relation to the Company for the purposes of the Takeover Code at the date of this Document;
“Enlarged Share Capital”	the Ordinary Shares in issue upon conversion in full of the Convertible Loan Notes, as enlarged by such conversion (assuming that (i) all Convertible Loan Notes convert into new Ordinary Shares and (ii) no further Ordinary Shares are issued by the Company);
“Existing Ordinary Shares”	the existing 128,405,917 Ordinary Shares in issue at the date of this Document;
“Existing Shareholders”	the holders of Existing Ordinary Shares;
“Existing Voting Share Capital”	the issued ordinary share capital of the Company at the date of this Document, being 128,405,917 Ordinary Shares;
“FCA”	the Financial Conduct Authority of the United Kingdom or any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
“Form of Proxy”	the form of proxy accompanying this Circular for use by Existing Shareholders at the General Meeting;
“FSMA”	the UK Financial Services and Markets Act 2000, as amended;
“Fundraise”	the Placing and (if exercised) the Broker Option;
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 12 July 2024 (and any adjournment(s) of such meeting) at the Company’s offices at The Barracks, White Cross, Lancaster, LA1 4XF, notice of which is set out in the Notice of General Meeting;
“Group”	the Company and each of its subsidiaries and subsidiary undertakings;

“Guild Financial”	Guild Financial Advisory Limited, independent financial adviser
“Independent Director”	Justine Dowds, the Chief Financial Officer of the Company and the only Director who is not a member of the Enlarged Concert Party;
“Independent Shareholders”	the Shareholders other than members of the Enlarged Concert Party;
“Issue Price”	£1 per £1 nominal of Convertible Loan Notes or, in relation to the Broker Option only, £1 per £1 nominal or any higher price at which CLNs may be issued;
“Last Practicable Date”	5.00 p.m. on 25 June 2024, being the last practicable time and date prior to the printing of this Document;
“Noteholders”	holders of outstanding Convertible Loan Notes from time to time;
“Notice of General Meeting”	the notice of the General Meeting set out in Part III of this Circular;
“Ordinary Shares”	ordinary shares of £0.01 each in the Company;
“Placing”	the proposed placing of the Placing Convertible Loan Notes by the Company at the Issue Price, incorporating the Broker Option, conditional <i>inter alia</i> on passing of the Resolutions;
“Placing Agreement”	the agreement dated 26 June 2024 entered into between the Company and Dowgate Capital appointing Dowgate Capital as the Company’s placing agent for the purposes of the Placing, as described in more detail in section 6 of Part II;
“Placing Convertible Loan Notes”	the £1.7 million Convertible Loan Notes which are to be issued by the Company pursuant to the Placing to be constituted by the Convertible Loan Note Instrument;
“Resolutions”	the resolutions to be put to the Existing Shareholders at the General Meeting as detailed in the Notice of General Meeting and “Resolution” means any of the Resolutions;
“Rule 9 Waiver”	the waiver granted by the Takeover Panel of the obligation which would otherwise arise pursuant to Rule 9 of the Takeover Code for the members of the Enlarged Concert Party to make a general offer for the entire issued share capital of the Company (other than any shares in the Company held by members of the Enlarged Concert Party) as a result of the increases in their holdings of Ordinary Shares due to (i) the conversion of the Convertible Loan Notes to be subscribed for by certain members of the Enlarged Concert Party into new Ordinary Shares or (ii) the allocation of additional Ordinary Shares pursuant to the SIP;
“Rule 9 Waiver Resolution”	the ordinary resolution of the Independent Shareholders to approve the Rule 9 Waiver, to be proposed as Resolution no. 1 at the General Meeting;
“Securities Act”	the US Securities Act of 1933, as amended;
“Shareholders”	the holder(s) of Ordinary Shares from time to time,
“SIP”	the Company’s share incentive plan

“SIP Allocations”	the illustrative allocation of 260,000 Ordinary Shares pursuant to the SIP prior to 30 June 2025
“Takeover Code” or “City Code”	the City Code on Takeovers and Mergers issued by the Takeover Panel, as amended from time to time;
“Takeover Panel”	The Panel on Takeovers and Mergers;
“Total Voting Rights”	The maximum number of voting rights capable of being voted in general meetings of the Company
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America;
“Voting Share Capital”	the issued ordinary share capital of the Company from time to time;
“Warrants”	warrants to subscribe for 22,499,978 new Ordinary Shares (on the basis of one Ordinary Share for each warrant) exercisable at 12 pence per share at any time up to 9 November 2024.

PART I

LETTER FROM THE INDEPENDENT DIRECTOR

OTAQ PLC

(Incorporated and registered in England and Wales under the Companies Act with registered number 11429299)

Directors:

Adam Reynolds *(Non-Executive Chairman)*
Philip Newby *(Chief Executive Officer)*
Justine Dowds *(Chief Financial Officer)*
Harald Rotsch *(Chief Technology Officer)*
Sarah Stoten *(Non-Executive Director)*
Giles Clifford *(Non-Executive Director)*

Registered Office:

8-3-4 Harpers Mill
South Road
White Cross
Lancaster
LA1 4XF

26 June 2024

Placing of £1.7 million OTAQ 10 per cent. Secured Convertible Loan Notes 2027

Broker Option through Dowgate Capital to allocate up to an additional £1.0 million OTAQ 10 per cent. Secured Convertible Loan Notes 2027

Approval of Waiver under Rule 9 of the City Code on Takeovers and Mergers

Notice of General Meeting

Dear Shareholder,

1. INTRODUCTION

Your Board announced on 26 June 2024 that the Company had conditionally raised £1.7 million by way of a Placing conducted by Dowgate Capital of Placing Convertible Loan Notes at the Issue Price to certain existing Shareholders and new investors.

In addition to the Placing, the Company has also granted the Broker Option to enable Dowgate Capital to arrange the placing of Broker Option Convertible Loan Notes at the Issue Price amongst certain existing and new investors to raise up to an additional £1.0 million.

At the time of the Company's acquisition of OTAQ Group Limited on 31 March 2020, it was agreed with the Takeover Panel that certain Shareholders were acting in concert in relation to the Company (the "**Concert Party**"). The Concert Party, as originally constituted, which also includes the Discretionary Funds managed by Dowgate Wealth and other funds managed by members of the Dowgate Group, now holds 28,438,899 Ordinary Shares representing 22.15 per cent. of the Existing Voting Share Capital.

When OTAQ Group Limited was acquired by the Company, it was agreed with the Takeover Panel that neither Mr Nigel Wray nor Euroblue Investments Limited ("**Euroblue Investments**"), a company controlled by My Wray, were members of the Concert Party. Euroblue Investments has subsequently increased its beneficial interest and now holds 24,714,868 Ordinary Shares representing 19.25 per cent. of the Voting Share Capital. However, given the level of Mr Wray's interests in the Company, and his wider connection with certain members of the Concert Party (and in particular his interest in Dowgate Group), the Takeover Panel has agreed that Mr Wray and Euroblue Investments should now be considered to be members of the Concert Party.

Further, Mr Giles Clifford joined the Board of Directors of the Company as a non-executive director in November 2022 and has a holding of 625,000 Ordinary Shares representing 0.49 per cent. of the Voting Share Capital and 156,250 Warrants. Mr Clifford is employed by a company in which Nigel Wray has a material beneficial interest and the Takeover Panel has agreed that he should also now be considered to be a member of the Enlarged Concert Party.

The Company's Chairman, Mr Adam Reynolds, joined the Company as Chairman in November 2022. He holds 893,181 Ordinary Shares representing 0.70 per cent. of the Voting Share Capital and 156,250 Warrants. Mr Reynolds has a number of interests in companies in which Dowgate Group are also interested and as such the Takeover Panel agreed that he should also now be considered to be a member of the Enlarged Concert Party.

A Shareholder and a proposed participant in the Placing, Onward Opportunities Limited is a closed-ended investment scheme incorporated and registered in Guernsey, whose shares are quoted on the AIM Market of the London Stock Exchange. It invests primarily in equity and equity-related securities of UK smaller companies, including OTAQ. In order to maintain Onward Opportunities' approach of active engagement with investee companies, and to encourage and support value creation, it will typically target meaningful minority stakes in investee companies of between 5 per cent. and 25 per cent. of the issued share capital. The Onward Opportunities investment policy is overseen by an experienced independent board of directors. The investment portfolio is managed by a small team headed by Laurence Hulse, who is an Investment Director of Dowgate Wealth.

Onward Opportunities currently holds 674,663 Ordinary Shares representing 0.53 per cent. of the Voting Share Capital and is participating in the Placing as set out below. Given that Dowgate Wealth is the Portfolio Manager, Onward Opportunities is considered to be a member of the Concert Party.

The aggregate shareholding in the Company of the Concert Party as enlarged by Nigel Wray, Euroblue Investments, Giles Clifford, Adam Reynolds and Onward Opportunities (the "**Enlarged Concert Party**") is 57,141,078 Ordinary Shares representing 44.51 per cent. of the Voting Share Capital.

As set out below, under the Takeover Code, any change in the Enlarged Concert Party's shareholding in the Company, which results in an increase in the percentage of the Voting Share Capital of the Enlarged Concert Party would result in the Enlarged Concert Party normally being required to make a mandatory cash offer to all the remaining Shareholders to acquire their Ordinary Shares in cash and at the highest price paid by any member of the Enlarged Concert Party in the preceding 12 months.

Certain members of the Enlarged Concert Party have given commitments to subscribe for Convertible Loan Notes in the Fundraise. In the event that the members of the Enlarged Concert Party acquire and then exercise the conversion rights attaching to the Convertible Loan Notes, the percentage interest of the Enlarged Concert Party may increase to a maximum of 54.50 per cent. (assuming that only Notes held by the Concert Party are converted into new Ordinary Shares excluding SIP Allocations).

Philip Newby, Chief Executive Officer, and Dr Harald Rotsch, Chief Technology Officer, who are participants in the Company's Share Incentive Plan, are deemed to be members of the Concert Party. Under the SIP, any member of staff can contribute up to £150 per month under salary sacrifice arrangements to buy existing Ordinary Shares. The Company then matches this by allotting additional new Ordinary Shares on a 1:1 basis, so the maximum number of Ordinary Shares allocated to each participating employee is £300 divided by the prevailing market price. Purchases and allotments under the SIP would result in an increase in the aggregate shareholding of the Concert Party to an illustrative maximum of 54.66 per cent. as explained in paragraph 7.(a) below.

The Company has consulted with the Takeover Panel which has agreed to waive the requirement for the Enlarged Concert Party to make a mandatory cash offer to all Shareholders under Rule 9 of the Takeover Code to all the remaining Shareholders to acquire their Ordinary Shares in cash, in the specific circumstance where those members of the Enlarged Concert Party's aggregate shareholding increases either on conversion of Notes into new Ordinary Shares thereby resulting in an increase in the aggregate percentage holding of Ordinary Shares or as a result of share awards under the SIP (the "**Rule 9 Waiver**").

This Rule 9 Waiver is subject to and conditional upon the approval by a vote of Independent Shareholders on a poll at the General Meeting. The Rule 9 Waiver Resolution seeks this approval. Accordingly, should Independent Shareholders approve the Rule 9 Waiver Resolution, they will be waiving the requirement for the Enlarged Concert Party to make a mandatory cash offer under Rule 9 of the Takeover Code to all the remaining Shareholders to acquire their Ordinary Shares, as a result of the exercise of the conversion rights relating to the Convertible Loan Notes held by the Enlarged Concert Party members.

The purpose of this Circular is to provide you with details of the Fundraise, the authorities required to implement the Fundraise and with information on the background to, and reasons for, the Rule 9 Waiver Resolution being put to Shareholders, to explain why I, as the Independent Director, consider the Rule 9 Waiver to be in the best interests of the Company and the Shareholders as a whole and why I, as the Independent Director, recommend that you vote in favour of all the Resolutions (including the Rule 9 Waiver Resolution) to be proposed at the General Meeting.

2. BACKGROUND TO AND REASONS FOR THE FUNDRAISE

About the Group

OTAQ is a highly innovative technology company targeting the aquaculture and offshore markets. It already has a number of established products in its portfolio and is focused on further developing its presence, customer base and cross selling opportunities within core markets both organically and via acquisition.

The Company's prime focus remains the provision of technology services to the aquaculture sector, which includes technologies to support shrimp farming and to monitor and manage water quality more widely across the sector. Specifically, the aquaculture division products include a sonar device (developed for Minnowtech LLC) to scan shrimp in ponds and water quality monitoring. The Company has developed and now launched LPAS a live plankton analysis product for finfish and shellfish farmers. OTAQ also continues to target opportunities for production and sale of its Sealfence acoustic deterrent device primarily for the salmon farming sector.

OTAQ's offshore division product range includes OceanSense subsea leak detection, Eagle IP camera systems and Lander seabed survey devices. The Company is also focused on the development of new products through this division, with the aim of increased cross-deployment of skills and technologies into the aquaculture arena.

OTAQ's connectors division includes the manufacture of subsea electrical connectors and penetrators to operate in challenging subsea applications in the offshore oil and gas, commercial diving and renewable energy markets. The Company's connectors products have a variety of uses including for diving chambers, survey and drilling equipment and remote operated vehicles.

Reasons for the Fundraise

The Group's product range includes some which are relatively new (LPAS was launched in May 2024) and others which are still being developed and/or tested. Delays in bringing new products to market and into production have contributed to the Group's cash resources becoming stretched leading to the need for the Placing. In these circumstances it is difficult to make reliable cash flow forecasts, leading to a relatively conservative approach being taken. Cash generation in Q1 2024 was better than budgeted with a strong contribution from connector sales offsetting a weakness in aquaculture revenues. Overall, the Board believes that the Group's revenue generating products, together have the potential to generate sufficient cash flow to cover all expenditure by the end of 2025. The Fundraise addresses the Group's anticipated working capital requirements to continue to operate as a going concern.

Certain of the Group's major shareholders have made Placing commitments, demonstrating their confidence in the Group's prospects. These commitments result in a conflict of interest between them and the Company. See paragraph 5. '*Related Party involvement in the Placing*' below.

3. DETAILS OF THE FUNDRAISE

Details of the Placing and the Broker Option

Dowgate Capital has conditionally placed £1.7 million of Placing Convertible Loan Notes with new and existing investors.

In order to accommodate potential additional demand for Convertible Loan Notes, the Company has granted the Broker Option of up to £1.0 million to Dowgate Capital to enable Dowgate Capital to fulfil any additional requests for Convertible Loan Notes in excess of the £1.7 million conditionally raised in the Placing. The Broker Option is exercisable by Dowgate Capital at its absolute discretion, at any point up to 5.00 p.m. on 31 December 2024 and there is no obligation on Dowgate Capital to exercise the Broker Option or to seek

to procure subscribers for any Broker Option Convertible Loan Notes pursuant to the Broker Option. Any Broker Option Convertible Loan Notes issued pursuant to the exercise of the Broker Option will be issued on the same terms and conditions as the Placing Convertible Loan Notes but may be issued at a higher price.

The Company and Dowgate Capital have entered into the Placing Agreement, pursuant to which Dowgate Capital has agreed to use its reasonable endeavours to procure subscribers for the Placing Convertible Loan Notes pursuant to the Placing. The Placing Agreement also sets out the terms of the Broker Option granted by the Company to Dowgate Capital. The Company has agreed to pay all costs and expenses relating to the Fundraise including commissions payable to Dowgate Capital.

The Placing Agreement contains certain customary warranties and indemnities by the Company in favour of Dowgate Capital. It also contains provisions entitling Dowgate Capital to terminate the Placing Agreement if, amongst other things, there is a breach of any of the warranties given by the Company which Dowgate Capital (acting reasonably) considers to be material in the context of the Fundraise or in the opinion of Dowgate Capital, there shall have occurred any 'Material Adverse Change' (as defined in the Placing Agreement).

The Placing Agreement is conditional upon, *inter alia*:

- the Resolutions being validly passed at the General Meeting; and
- the Placing Convertible Loan Notes being issued on 12 July 2024 or such later time and/or date as the Company and Dowgate Capital may agree (but in any event by no later than 31 July 2024).

Neither the Placing nor the Broker Option has been, nor will be, underwritten.

Further details of the Placing Agreement are set out in paragraph 6 of Part II of this Document.

The Fundraise will, if the Broker Option is exercised in full and the maximum principal amount of Broker Option Convertible Loan Notes are issued, result in the issue, upon conversion of all of the Convertible Loan Notes, of up to 90,000,000 new Ordinary Shares, representing approximately 41.21 per cent. of the Enlarged Share Capital of the Company as at the date of the issue of the Convertible Loan Notes.

Details of the Convertible Loan Notes

The Company is proposing to issue Convertible Loan Notes in an aggregate amount of up to £2.7 million under the Fundraise.

The Convertible Loan Notes will be issued pursuant to the instrument executed by the Company on 26 June 2024 (the "**Convertible Loan Note Instrument**"). The principal terms of the Convertible Loan Notes under the Convertible Loan Note Instrument are as follows:

- the Convertible Loan Notes will be issued with an initial maturity date of 25 June 2027, subject to optional one-year extensions upon written consent of both the Company and the noteholders, to 26 June 2028, and thereafter to 25 June 2029 (in each case as applicable, the "**Maturity Date**");
- interest on the Convertible Loan Notes will accrue at a rate of 10 per cent. and shall be paid by the Company on a quarterly basis;
- the Convertible Loan Notes are convertible into Ordinary Shares, at a conversion price of 3.0 pence per Ordinary Share, in whole or in parts of no less than £25,000 (or less if it represents a Noteholder's entire holding), (i) at any time prior to the Maturity Date upon a Noteholder's option; or (ii) automatically upon a change of control of the Company;
- any new Ordinary Shares issued pursuant to any conversion of the Convertible Loan Notes will, once issued, rank *pari passu* with the Ordinary Shares in issue at that time and application for admission to trading on the AQSE Growth Market in respect of such Ordinary Shares will be made at the appropriate time.
- the Convertible Loan Notes are redeemable in cash at par plus a redemption premium of 15 per cent., and any outstanding accrued but unpaid interest, upon (i) the applicable Maturity Date (ii) a change of control of the Company;

- as detailed in the Convertible Loan Note Instrument the Convertible Loan Notes will be secured by a first ranking charge over certain of the Company's Sealfence products, in the event of a disposal by the Company of its Sealfence products, the Noteholders will have a right to redeem their Convertible Loan Notes in cash in an aggregate amount up to 50 per cent. of the net cash proceeds received by the Company for such disposal, to be divided *pro rata* between such redeeming Noteholders;
- while any Convertible Loan Notes remain outstanding, the agent for the Noteholders will be entitled to appoint a non-executive director (the "Agent NED") to the board of the Company. The Agent NED shall be entitled to a fee of £20,000 per annum in relation to the Board appointment; and
- the Convertible Loan Note Instrument contains customary covenants and events of default provisions.

Investors may subscribe for Convertible Loan Notes for an aggregate minimum amount of £1,000.00 in the Placing or the Broker Option.

The issue of the Convertible Loan Notes, as with the completion of both the Placing and the Broker Option, is among other things conditional on the passing of the Resolutions at the General Meeting.

4. CURRENT TRADING AND OUTLOOK

As announced on 17 May 2024, the Company expects to announce that trading in the year to 31 December 2023 was slightly ahead of management's expectations with revenues of not less than £4.4 million (2022: £4.0 million). The Company expects to report a reduced EBITDA loss of approximately £311,000 (2022: £331,000). The EBITDA loss is some £66,000 higher than previous guidance, due to certain non-recurring items. The Company continues to manage its limited cash resources with care, and it continues with scheduled repayments of the CBILS loan, which is down to £817,000. The Company's audited full year results to 31 December 2023 will be announced on or before 28 June 2024.

The Directors confirm that the above profit estimates remain valid have been properly compiled on the basis of the assumptions stated and that the basis of accounting used is consistent with the Company's accounting policies.

Trading in Q1 FY24 has been encouraging, with revenues up 19 per cent. over Q1 FY23. and the Company continues to see progress across the Group. The Offshore Products division has maintained the positive performance seen in 2023. Aquaculture has also seen a number of positive developments. The Company's sonar shrimp system developed for Minnowtech LLC, is now gaining traction in its target markets. The Company has also identified further new customer interest in the Company's established Sealfence solution from salmon farmers in several major salmon production regions, having sold 19 Sealfence units into these core target markets in the first quarter.

The Company has also confirmed that following more than three years in development, OTAQ has now completed successful trials of its Live Plankton Analysis System (LPAS), and recently launched LPAS at the Aquaculture UK conference.

5. RELATED PARTY INVOLVEMENT IN THE PLACING

Dowgate Group controls 13.41 per cent. of the Total Voting Rights and is a substantial shareholder and a related party (as defined in the AQSE Rules). Dowgate Capital, the Company's AQSE Corporate Adviser and broker, is arranging the Placing and Dowgate Wealth is the manager of Onward Opportunities, which has committed to invest £500,000 in the Placing. David Poutney, a director of and shareholder in Dowgate Group and his wife has committed to invest £300,000 in the Placing.

Dowgate Capital has entered into the Placing Agreement which includes the Broker Option with the Company, a summary of which is set out in paragraph 6 of Part II.

In view of Dowgate Capital's conflict of interest arising from the above, it has not advised the Board in relation to the terms of the Convertible Loan Notes and the Board sought advice on the Terms of the Notes from Guild Financial.

In the context of the Group's current negative cash flows and lack of sufficient working capital to cover expected losses until cash flow break-even is reached, it is necessary to offer potential Placees Notes on

terms which reflect the high risk nature of their investment. Consideration was given to the issue of new Ordinary Shares but in current market conditions, the discounted price at which any new shares would have to be offered would be considerably more dilutive than the Notes (if they could be placed at all). Accordingly, the issue of the Notes represents a practicable solution for funding the Group.

The Board, having been so advised by Guild Financial, believes that the terms of the Placing Agreement, Broker Option and the Notes, all of which are contracts with related parties (as defined in the AQSE Rules) are fair and reasonable so far as Shareholders as a whole are concerned.

6. USE OF PROCEEDS

The Fundraise is intended to enable the Company to continue with the positive commercial momentum described above. In particular, the Independent Director considers that the Convertible Loan Notes represent an overall funding solution for the Company's needs that would likely be less dilutive to Shareholders than performing a traditional equity fundraising in the current macroeconomic environment.

The Company expects to receive gross proceeds of approximately £1.7 million pursuant to the Placing and £1.0 million pursuant to the Broker Option (assuming this is exercised in full).

The Company intends to use the proceeds of the Fundraise principally:

- to repay in full of the CBILS Loan, of which approximately £0.8 million remains outstanding,
- for further product development; and
- for general working capital purposes.

The Directors will continue to assess suitable available funding options for the Company going forward for the purposes of bolstering the Company's working capital position and securing the funding necessary to pursue its corporate strategy.

7. THE TAKEOVER CODE

a) Information on the Enlarged Concert Party

Each of the persons and entities listed in the table below are together considered to be 'acting in concert' for the purposes of the Takeover Code in relation to the Company. As at the Last Practicable Date, members of the Enlarged Concert Party have an interest in an aggregate 57,141,078 Ordinary Shares equating to an aggregate of 44.51 per cent. of the Existing Voting Share Capital.

Included in the Enlarged Concert Party's shareholding are the purchase and allocation of existing Ordinary Shares and allotment of new Ordinary Shares of the value of up to £300 per month under the SIP could increase the shareholdings of Philip Newby and Dr Harald Rotsch, both members of the Enlarged Concert Party. The number and percentage of the Total Voting Rights represented by these Ordinary Shares depends on the prevailing share price at the relevant times. Based on an illustrative share price of an Ordinary Share of 3 pence and assuming that 13 monthly SIP allocations valued at £300 each are made prior to the 2025 annual general meeting (when a resolution to renew the Rule 9 waiver in relation to subsequent SIP allocations can be proposed), an illustrative 260,000 new Ordinary Shares would be allocated to members of the Concert Party. Assuming no new Ordinary Shares are issued save for conversions of Notes held by Concert Party members, allocation of 260,000 Ordinary Shares to members of the Concert Party over the period to the end of June 2025 would increase the Enlarged Concert Party's shareholding to 85,734,411 Ordinary carrying 54.66 per cent. of the enlarged Total Voting Rights. Resolutions are expected to be proposed at annual general meetings in 2025 and in later years to approve waivers of possible mandatory offers arising from SIP allocations of Ordinary Shares to members of the Concert Party in the years following each such general meeting.

No further SIP allocations will be made if they would trigger a mandatory offer under the Takeover Code. The SIP allocation for May 2024 has been deferred until after the General Meeting.

The table below also sets out the intended participation in the Placing by certain members of the Enlarged Concert Party and their resulting shareholding upon conversion of the Convertible Loan Notes.

Name	Current holding	% of Existing Ordinary Shares as at the date of this Circular (%)	CLN Subscription (£)	Shares		max %age after Note conversion and SIP Allocation ⁽¹⁾ (%)	%age after full Note conversion inc. Broker Option ⁽²⁾ (%)
				upon CLN conversion	Enlarged shareholding		
David Poutney and spouse	2,533,187	1.97%	300,000	10,000,000	12,533,187	7.99%	5.74%
Dr Harald Rotsch ⁽³⁾	2,494,520	1.94%	–	–	2,494,520	1.59%	1.14%
Philip Newby and family ⁽⁴⁾	1,507,080	1.17%	–	–	1,507,080	0.96%	0.69%
Dowgate Group Limited	1,181,958	0.92%	–	–	1,181,958	0.75%	0.54%
CTG Investment Limited	1,149,976	0.90%	–	–	1,149,976	0.73%	0.53%
Sarah Stoten	993,648	0.77%	–	–	993,648	0.63%	0.45%
James Serjeant and family ⁽⁵⁾	798,734	0.62%	–	–	798,734	0.51%	0.37%
Sherron Hemsley	521,419	0.41%	–	–	521,419	0.33%	0.24%
Deborah Robinson	429,731	0.33%	–	–	429,731	0.27%	0.20%
Dr George Peter Robinson	408,859	0.32%	–	–	408,859	0.26%	0.19%
Dr Jonathan Serjeant	263,520	0.21%	–	–	263,520	0.17%	0.12%
Paul Richards	237,304	0.18%	–	–	237,304	0.15%	0.11%
Alice Poutney Wall	201,000	0.16%	–	–	201,000	0.13%	0.09%
Madeleine Poutney	150,000	0.12%	–	–	150,000	0.10%	0.07%
Chris Hyde	69,426	0.05%	–	–	69,426	0.04%	0.03%
Sammy French	50,189	0.04%	–	–	50,189	0.03%	0.02%
Nigel Gaymer	48,784	0.04%	–	–	48,784	0.03%	0.02%
Peter McKenzie	45,000	0.04%	–	–	45,000	0.03%	0.02%
Dowgate Capital – Discretionary	15,161,964	11.81%	–	–	15,161,964	9.67%	6.94%
Dowgate Wealth – Discretionary	192,600	0.15%	–	–	192,600	0.12%	0.09%
Concert Party	28,438,899	22.15%	300,000	10,000,000	38,438,899	24.51%	17.59%
Nigel Wray ⁽⁶⁾	24,714,868	19.25%	–	–	24,714,868	15.76%	11.31%
Adam Reynolds	893,181	0.70%	–	–	893,181	0.57%	0.41%
Giles Clifford	625,000	0.49%	–	–	625,000	0.40%	0.29%
Onward Opportunities	674,663	0.53%	500,000	16,666,667	17,341,330	11.06%	7.94%
Stuart Parkinson	1,691,153	1.32%	50,000	1,666,667	3,357,820	2.14%	1.54%
Simon Carter and family ⁽⁷⁾	103,314	0.08%	–	–	103,314	0.07%	0.05%
Enlarged Concert Party (Exc SIP Allocations)	57,141,078	44.51%	850,000	28,333,333	85,474,411	54.50%	39.12%
SIP Allocations	–	–	–	260,000	260,000	0.17%	0.12%
Enlarged Concert Party total	57,141,078	44.51%	850,000	28,333,333	85,734,411	54.66%	39.24%

(1) Percentage shareholding on basis that all CLNs held by members of Enlarged Concert Party are converted, all other CLNs are not converted

(2) Percentage shareholding on basis that all CLNs are converted

(3) Shareholding could increase by 130,000 new Ordinary Shares being an illustrative number which could be allocated under the Company's SIP prior to June 2025

(4) Includes holding of 349,606 Ordinary Shares held by Mr Newby's spouse and 15,654 held by his son. Shareholding could increase by 130,000 new Ordinary Shares being an illustrative number which could be allocated under the Company's SIP prior to June 2025

(5) Includes 56,792 Ordinary Shares held by Mr Serjeant's spouse, and 24,000 Ordinary Shares held by his two sons.

(6) Mr Wray's shareholding are held in Euroblue Investments, an investment vehicle owned and controlled by Mr Wray

(7) Includes 37,568 Ordinary Shares held by Mr Carter's two daughters and 28,177 Ordinary Shares held by his mother

Following full conversion of the Convertible Loan Notes, and the SIP Allocations, and assuming no other changes to the Company's issued share capital the members of the Enlarged Concert Party will be interested in 85,734,411 Ordinary Shares representing 39.24 per cent. of the enlarged Total Voting Rights.

Assuming that the members of the Enlarged Concert Party convert their Convertible Loan Notes in full and receipt of the SIP Allocations, assuming that no other person converts any Convertible Loan Notes, or exercises any options or any other right to subscribe for Ordinary Shares in the Company, the members of the Enlarged Concert Party would be interested in 85,734,411 Ordinary Shares representing 54.66 per cent. of the enlarged Total Voting Rights of the Company. The table above sets out the respective individual interest in the Ordinary Shares of the members of the Enlarged Concert Party upon conversion of the Convertible Loan Notes.,

Shareholders should be aware that upon members of the Enlarged Concert Party exercising their right to convert their interests in the Convertible Loan Notes as set out above, the members of the Enlarged Concert Party will hold shares carrying more than 50 per cent. of the enlarged Total Voting Rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in the Ordinary Shares without incurring any further obligations under Rule 9 to make a mandatory offer, although individual members of the concert party will not be able to increase their percentage shareholding through or between a Rule 9 threshold without the consent of the Takeover Panel.

The Company has issued 22,499,978 Warrants to subscribe for new Ordinary Shares at a price of 12p each. The Warrants expire on 9 November 2024. The highest mid market price of an Ordinary Share in the 12 months preceding the publication of this Document is 6p. In these circumstances the likelihood of any Warrants being exercised appears to the Independent Director to be remote and in any event no waiver is being sought for any increase in the Concert Party's percentage shareholding to the extent that it arises from the exercise of Warrants.

Further information on the Enlarged Concert Party is set out in Part II (Additional Information) of this Circular.

b) Application of the Takeover Code

Under Rule 9 of the Takeover Code, any person who acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Takeover Code) which when taken together with shares in which that person or persons acting in concert with that person are already interested in or acquired by persons acting in concert with him/her, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code or is interested in 30 per cent. or more but does not hold more than 50 per cent. of the shares carrying voting rights of such a company and acquires an interest in any additional shares carrying voting rights of that company, is normally required to make a general cash offer to all the remaining shareholders of the company to acquire their equity shares and transferable securities carrying voting rights in the company. An offer under Rule 9 of the Takeover Code must be in cash at the highest price paid by the person or the group of persons acting in concert in the preceding 12 months.

Accordingly, pursuant to Rule 9 of the Takeover Code, if the members of the Enlarged Concert Party (who already control over 30 per cent. of the Total Voting Rights) were to exercise any of the conversion rights attached to the Notes for which they have entered into Placing Commitments, this would result in an increase to the percentage of the Voting Share Capital which the Enlarged Concert Party controls. As a consequence, the Enlarged Concert Party would be required to make a mandatory cash offer to all other Shareholders of the Company to acquire their Ordinary Shares, unless such obligation has been waived by the Takeover Panel.

c) Takeover Panel Waiver

In order for the Noteholders within the Enlarged Concert Party to convert their Convertible Loan Notes into new Ordinary Shares without triggering a mandatory offer obligation for the Enlarged Concert Party, the Company has consulted with the Takeover Panel and the Takeover Panel has agreed to waive the requirement for the Enlarged Concert Party to make a general cash offer to all Shareholders under Rule 9 of the Takeover Code in circumstances where, upon the issue of the new Ordinary Shares upon conversion of their Convertible Loan Notes to those members of the Enlarged Concert Party result in an increase in the aggregate percentage holding of the Enlarged Concert Party (the "**Rule 9 Waiver**").

This Rule 9 Waiver is subject to the approval by a vote of Independent Shareholders on a poll at the General Meeting. The Rule 9 Waiver Resolution seeks this approval. Accordingly, should Independent Shareholders approve the Rule 9 Waiver Resolution, they will be waiving the requirement for the Enlarged Concert Party (and any of other members of the Enlarged Concert Party) to make a mandatory general cash offer under Rule 9 of the Takeover Code as a result of the issue of the new Ordinary Shares to those members of the Concert Party upon conversion of their Convertible Loan Notes.

If all Noteholders who are members of the Concert Party convert their respective holdings of Convertible Loan Notes into new Ordinary Shares and no other Notes are converted, and there

are no other changes to the Company's issued share capital, then the Enlarged Concert Party would, in aggregate, hold interests in Ordinary Shares carrying a maximum of 54.66 per cent. of the Total Voting Rights (including illustrative SIP allocations prior to June 2025 set out in 7.1 (a) above).

d) Intentions of the Enlarged Concert Party

The Enlarged Concert Party has confirmed that it has no intention to change the Company's plans with respect to:

- (i) the composition of the Board (save for the appointment of a nominated director disclosed below), nor the Company's or the Group's plans with respect to the continued employment of employees and management of the Company and its subsidiaries (including any material change in conditions of employment) or any material change to the balance of skills and functions of the employees and management;
- (ii) the Company's or the Group's future business and its strategic, research and development plans;
- (iii) the location of the Company's headquarters or headquarter functions or the location of the Company's or the Group's place of business;
- (iv) employer contributions into any of the Company's or the Group's pension schemes, the accrual of benefits for existing members, nor the admission of new members;
- (v) redeployment of the Company's or the Group's fixed assets; or
- (vi) the continuation of the Ordinary Shares being admitted to trading on the AQSE Growth Market.

In relation to (i) above, the terms of the Convertible Loan Notes include the right for Dowgate Wealth (as agent for the Noteholders) to nominate a non executive director whilst any Convertible Loan Notes remain outstanding. Dowgate Wealth is a member of the Concert Party.

Your attention is drawn to Part II (*Additional Information*) of this Circular which sets out certain further information and financial information that is required to be disclosed in this Circular pursuant to the rules contained in the Takeover Code.

8. GENERAL MEETING

A notice convening a General Meeting of the Company to be held at 10.00 a.m. on 12 July 2024 at the Company's offices at The Barracks, White Cross, Lancaster, LA1 4XF is set out at the end of this Circular. The purpose of the General Meeting is to seek approval of Existing Shareholders for the Resolutions summarised below. Completion of the Fundraise is conditional upon the passing of the Resolutions.

At the General Meeting, Resolutions will be proposed to the following effect:

1. Rule 9 Waiver authority

The Rule 9 Waiver Resolution (Resolution no. 1) proposes to approve the waiver granted by the Takeover Panel of any obligation which may otherwise arise pursuant to Rule 9 of the Takeover Code for the members of the Enlarged Concert Party to make a general offer for the entire issued share capital of the Company (other than any shares held by members of the Enlarged Concert Party) as a result of any percentage increase in their holdings of Ordinary Shares due to the conversion of the Convertible Loan Notes to be subscribed for by certain members of the Enlarged Concert Party into new Ordinary Shares or as a result of the allotment or allocation of Ordinary Shares to members of the Concert Party pursuant to the SIP prior to the end of June 2025.

Resolution no. 1 will be proposed as an ordinary resolution and voting on it will be by way of a poll. This means that, for the Resolution to be passed, at least 50 per cent. of the votes cast must be in favour of the Resolution. In accordance with the requirements of the Takeover Code, members of the Enlarged Concert Party are not permitted to vote on the Rule 9 Waiver Resolution in respect of their aggregate holding of 57,141,078 Ordinary Shares representing 44.51 per cent. of the Existing Voting Share Capital.

2. Authority to Allot

Resolution no. 2 is to be proposed at the General Meeting is an ordinary resolution. This means that, for the Resolution to be passed, more than 50 per cent. of the votes cast must be in favour of the Resolution. The Resolution is necessary to authorise the Directors to grant the rights to convert all or any of the aggregate principal amount of the Convertible Loan Notes (together with all accrued but unpaid interest) into Ordinary Shares, up to a maximum aggregate nominal amount of £900,000.

3. Disapplication of pre-emption rights

Resolution no. 3 is to be proposed as a special resolution. This means that, for the Resolution to be passed, at least 75 per cent. of the votes cast must be in favour of the Resolution. Resolution 3 is conditional upon the passing of Resolution 2, and is required to empower the Directors to grant the rights to convert all or any of the aggregate principal amount of the Convertible Loan Notes (together with all accrued but unpaid interest) into Ordinary Shares up to a maximum aggregate nominal amount of £900,000 as if the statutory pre-emption rights of existing shareholders of the Company under section 561(1) of the Companies Act did not apply.

The authorities granted pursuant to Resolutions nos. 2 and 3 will expire on 31 December 2024 and will be in addition to all other existing authorities previously granted to the Directors.

9. ACTION TO BE TAKEN

Whether or not you intend to be present at the General Meeting you are requested to vote either online by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions (the relevant log-in details can be located on the top of the Form of Proxy) or by issuing a CREST Proxy Instruction or by completing the Form of Proxy which accompanies this Circular (or can be downloaded from the Company's website at www.otaq.com), in accordance with the instructions printed thereon, and returning it to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX in each case as soon as possible but in any event so that the action is completed or the Form of Proxy is received by no later than 10.00 a.m. on 10 July 2024. The completion of a proxy appointment and/or return of a Form of Proxy will not preclude any Shareholder from attending the General Meeting and voting in person should such Shareholder subsequently wish to do so.

10. RECOMMENDATION

I, as the independent Director, having been so advised by Guild Financial, which has provided me with competent independent advice to in respect of the Rule 9 Waiver, consider the Fundraise and related Rule 9 Waiver to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Accordingly, as the Independent Director, I recommend that Independent Shareholders vote in favour of Resolution no. 1 to be proposed at the General Meeting. None of the Directors who are members of the Concert Party are entitled to vote on Resolution no. 1, as they are not Independent Shareholders.

The Board considers the Resolutions nos. 2 and 3, which are necessary to implement the Fundraise to be in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolutions nos. 2 and 3 to be proposed at the General Meeting, as the Directors and their connected parties intend to do in respect of their shareholdings representing 5.07 per cent. of the Existing Ordinary Shares.

Yours sincerely,

Justine Dowds

Independent Director

PART II

ADDITIONAL INFORMATION

1. RESPONSIBILITY

- 1.1 The Directors accept responsibility for the information (including any expressions of opinion) contained in this Circular, other than information relating to the Independent Directors' recommendation in relation to the Rule 9 Waiver Resolution, and any information relating to the Enlarged Concert Party, for which responsibility is accepted on the basis set out in paragraphs 1.2 and 1.3 below. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Director accepts responsibility for her recommendation (including any expressions of opinion) in relation to the Rule 9 Waiver Resolution. To the best of the knowledge and belief of the Independent Director (who has taken all reasonable care to ensure that such is the case), the information contained in this Circular for which she accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 Each member of the Enlarged Concert Party accepts responsibility for the information (including any expressions of opinion and intention) contained in this Circular relating to themselves. To the best of the knowledge and belief of each such member of the Enlarged Concert Party (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular for which such member accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information

2. INCORPORATION AND GENERAL INFORMATION

- 2.1 The Company was incorporated in England and Wales on 22 June 2018 as a public limited company with the name 'Hertsford Capital plc' and with company no. 11429299. On 24 June 2020, the Company changed its name to 'OTAQ plc'.
- 2.2 The registered office of the Company and its principal place of business is 8-3-4 Harpers Mill, South Road, White Cross, Lancaster, England, LA1 4XF. The telephone number of the Company's registered office and principal place of business is +44 (0) 1524 748080 and its website is www.otaq.com.
- 2.3 The Company is domiciled in England.

3. DIRECTORS' DETAILS

The Directors of the Company and their functions are set out below.

<i>Director</i>	<i>Function</i>
Adam Reynolds	Non-Executive Chairman
Philip Newby	Chief Executive Officer
Justine Dowds	Chief Financial Officer
Harald Rotsch	Chief Technology Officer
Sarah Stoten	Non-Executive Director
Giles Clifford	Non-Executive Director

4. DETAILS OF MEMBERS OF THE ENLARGED CONCERT PARTY

The Concert Party members are deemed to be acting in concert with each other because they were shareholders of OTAQ Group Limited when it was acquired by the Company. Information is set out below about certain others who are now deemed to be members of the Enlarged Concert Party for the reasons explained in paragraph 1 of Part I. Their shareholdings in the Company are set out in paragraph 7(a) of Part I.

- 4.1 Members of the Enlarged Concert Party who, currently or would on conversion of the Notes hold over 5 per cent. of the Total Voting Rights:

Nigel Wray/Euroblue Investments Limited

Nigel Wray is an entrepreneurial investor in both public and private companies. Currently he is a substantial shareholder and Director at Franchise Brands plc and at Chapel Down Group plc. He is a significant investor in a wide ranging number of AIM quoted companies, as well as a number of private companies, including Saracens Rugby Club. He is a former Director and was a significant shareholder in Domino's Pizza. Euroblue Investments Limited is a company controlled by Mr Nigel Wray, in which Mr Wray has a beneficial interest. It was disclosed in the RTO prospectus that Euroblue Investments held 13.22 per cent. of OTAQ's issued share capital at Admission although neither Euroblue Investments nor Mr Wray was considered to be a member of the Concert Party. Subsequent to completion of the RTO in March 2020, Euroblue Investments has continued to support the Company through the further acquisition of ordinary shares.

Euroblue Investments latest investment was on 9 November 2022 and was as part of a further fundraising (by means of Placing and Open Offer of new ordinary shares) and capital restructuring which resulted in a total holding of 19.25 per cent. In that fundraising, investors were also issued warrants in addition to the new ordinary shares and Euroblue Investments acquired Warrants to subscribe for a further 4,687,500 ordinary shares.

Following further conversations with the Takeover Panel, the Takeover Panel has agreed that Mr Wray is now considered to be a member of the Enlarged Concert Party.

Onward Opportunities Limited

Onward Opportunities Ltd was incorporated in Guernsey on 31 January 2023 as a closed-ended investment company. Its investment objective is to seek to generate risk-adjusted absolute returns for its shareholders through investments in UK smaller companies. The Onward Opportunities factsheet of 31 March 2024 showed a fund size of £19.2 million comprising 10 per cent. in cash and a portfolio of 20 equity holdings.

Onward Opportunities is managed by a Dowgate Wealth Management, part of Dowgate Group. Dowgate Group, and discretionary funds managed by Dowgate Group, are part of the Concert Party, and Onward Opportunities is therefore also considered to be a member of the Enlarged Concert Party. Onward Opportunities holds 674,663 Ordinary Shares (representing 0.53 per cent. of the Total Voting Rights) and could hold up to 11.06 per cent. of the Total Voting Rights on conversion of the Notes it has committed to subscribe for in the Placing.

David Poutney

David Poutney is Chief Executive of Dowgate Capital and Chairman of its sister company, Dowgate Wealth. His early career was in commercial banking and asset finance. He made the transition into stockbroking a few years ahead of the Big Bang, becoming a financials analyst for 15 years at a number of firms including BZW, James Capel and UBS. He moved into a broader role in corporate broking during the DotCom boom of the 1990s and was involved in the flotation of a number of companies which survived the crash, notably Sports Internet Group which was taken over by Sky. After joining Numis in 2001 his clients included a number of growth companies such as Dominos Pizza, Alliance Pharma and LTG. As Numis became focussed on larger capitalised companies, David Poutney with some former Numis colleagues, acquired a controlling stake in Dowgate through its parent company, 3B Capital, (now Dowgate Group Limited) in 2016.

David Poutney (with his spouse) has an existing holding of 2,533,187 Ordinary Shares and has signed Placing commitments for Notes which would increase his percentage shareholding to 7.99 per cent. of the issued voting share capital (assuming all Notes held by Concert Party members were converted and no others).

4.2 Other Members of the Enlarged Concert Party

Adam Reynolds

Adam Reynolds was appointed a non executive director and Chairman of the Company in November 2022. Mr Reynolds had acquired his shareholding of 893,181 Ordinary Shares (representing 0.70 per cent. of the Existing Total Voting Rights), and 156,250 Warrants, prior to his appointment.

Giles Clifford

Giles Clifford joined the Board of OTAQ as a non-executive director in November 2022 and has a holding of 625,000 Ordinary Shares (representing 0.49 per cent. of the Total Voting Rights), and 156,250 Warrants. Mr Clifford is employed by a company in which Nigel Wray has a material beneficial interest and the Takeover Panel has determined that Mr Clifford's interest should therefore be considered in conjunction with those of Euroblue Investments/Nigel Wray, as members of the Enlarged Concert Party.

Stuart Parkinson

Stuart Parkinson is Head of Asset Management and an Executive Director of Dowgate Group and is therefore considered to be a member of the Enlarged Concert Party. He has over 20 years' experience in investment management and joined Dowgate Group in 2019. Mr Parkinson holds 1,691,153 Ordinary Shares (representing 1.32 per cent. of the Existing Total Voting Rights) and 250,830 Warrants.

Simon Carter

Simon Carter is Chief Operations Officer and an Executive Director of Dowgate Group. He is therefore included as a member of the Enlarged Concert Party. He has over 20 years' experience across a variety of financial institutions and joined Dowgate Group in 2020. Mr Carter and his immediate family hold 103,314 Ordinary Shares (representing 0.08 per cent. of the Existing Total Voting Rights) and 11,478 Warrants.

5. CONCERT PARTY DEALINGS IN ORDINARY SHARES

The Rule 9 Waiver will be invalidated if any acquisition of any interest in Ordinary Shares in the Company is made by any member of the Enlarged Concert Party in the period between the date of this Circular and the General Meeting.

6. PLACING AGREEMENT AND BROKER OPTION

The Company and Dowgate Capital have entered into the Placing Agreement dated 26 June 2024 pursuant to which the Company has appointed Dowgate Capital as its agent to use its reasonable endeavours to procure subscribers ("**Convertible Loan Note Placees**") for the Placing Convertible Loan Notes at the Issue Price pursuant to the Placing. The Placing Agreement includes the Broker Option whereby Dowgate Capital may place up to £1.0 million additional Broker Option Convertible Loan Notes.

The Placing Agreement contains certain customary warranties given by the Company in favour of Dowgate Capital regarding, *inter alia*, the accuracy of financial statements, certain documents and other information about the Group, the Company's capacity, the Company's share capital and taxation and also certain customary indemnities given by the Company in favour of Dowgate Capital.

Completion of the subscriptions for, and issue of, the Placing Convertible Loan Notes pursuant to the Placing is conditional upon, *inter alia*:-

- the Resolutions (including the Rule 9 Waiver Resolution) being validly passed at the General Meeting without amendment (unless agreed in writing by Dowgate Capital, Guild Financial and, in relation to the Rule 9 Waiver Resolution, the Takeover Panel);
- the obligations of Dowgate Capital (under the Placing Agreement) not having been terminated before the initial Closing Date (as defined below); and

- the Placing Convertible Loan Notes being issued on 12 July 2024 (the “**Initial Closing Date**”) (or such later time and/or date as the Company and Dowgate Capital may agree, but in any event by no later than 31 July 2024

and the Company has undertaken to use its reasonable endeavours to procure that each of the conditions in the Placing Agreement (including those listed above) is satisfied in accordance with the Placing Agreement.

The Placing Agreement also contains provisions entitling Dowgate Capital to terminate the Placing Agreement if, *inter alia*, a breach of any of the warranties occurs or an event occurs which Dowgate acting reasonably considers to be material in the context of the Placing and, in the opinion of Dowgate, there shall have occurred any Material Adverse Change (as defined in the Placing Agreement) whether or not foreseeable at the date of the Placing Agreement.

In order to accommodate potential additional demand for Convertible Loan Notes, the Company has granted the Broker Option to Dowgate Capital under the Placing Agreement to call for the issue of up to £1.0 million principal of Broker Option Convertible Loan Notes to be issued at the Issue Price to additional subscribers which Dowgate Capital may procure.

The Broker Option is exercisable by Dowgate Capital at its absolute discretion, at any point up to 5.00 p.m. on 31 December 2024 (the “**Broker Option Expiry Date**”) and any number of times during that period, but there is no obligation on Dowgate Capital to exercise the Broker Option or to seek to procure subscribers for any Broker Option Convertible Loan Notes pursuant to the Broker Option. Any Broker Option Convertible Loan Notes issued pursuant to the exercise of the Broker Option will be issued on the same terms and conditions as the Placing Convertible Loan Notes, except that the issue price may be higher and the issue date(s) of the Broker Option Convertible Loan Notes shall be the Second Closing Date (as defined below) (to the extent that the Broker Option has not been exercised before the Initial Closing Date) and shall be notified to Shareholders by an announcement on an RIS (and posted on the Company’s website).

If the Broker Option is not exercised by Dowgate Capital by no later than three Business Days prior to the Initial Closing Date but is exercised before the Broker Option Expiry Date, completion of the Broker Option will be subject to the satisfaction of the above conditions regarding the Placing on the basis that all references in such conditions to the Initial Closing Date (as defined below) are deemed to refer to such date (being not earlier than the Initial Closing Date) which is three Business Days following the date on which the Broker Option is exercised by Dowgate Capital (or such later date as the Company and Dowgate Capital may agree in writing) and, in the event of the Broker Option being exercised on more than one occasion, each such date (the “**Second Closing Date**”).

In consideration for Dowgate Capital’s obligations under the Placing Agreement, the Company has agreed to pay Dowgate Capital (subject to the satisfaction or, where permitted, waiver of the conditions of the Placing Agreement):

- (i) a commission equal to 5 per cent. of the aggregate value at the Issue Price of the Placing Convertible Loan Notes issued to Convertible Loan Note Placees;
- (ii) a commission equal to 5 per cent. of the aggregate value at the relevant Issue Price of the Broker Option Convertible Loan Notes issued pursuant to the Broker Option; and
- (iii) a corporate advisory fee of £25,000 (in respect of Dowgate Capital’s corporate advice in relation to the Fundraise).

Neither the Placing nor the Broker Option has been, nor will be, underwritten.

7. ADDITIONAL DISCLOSURES REQUIRED BY THE TAKEOVER CODE

- 7.1 Save as disclosed in this Circular, no members of the Enlarged Concert Party, nor any connected persons have any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.
- 7.2 No arrangement or understanding (including any compensation arrangement) exists between any members of the Enlarged Concert Party, or any connected persons, and any of the Directors, recent

directors, Shareholders or recent shareholders of the Company, or any person interested or recently interested in the Ordinary Shares, having any connection with or dependence upon the Rule 9 Waiver or the proposals set out in this Circular or which is conditional on the outcome of the consideration of the Rule 9 Waiver set out in this Circular.

7.3 Whether or not Resolution no. 1 (the Rule 9 Waiver) is approved, the Enlarged Concert Party will not be restricted from making an offer for the Company

7.4 Interests and dealings in OTAQ securities

(i) Definitions

For the purposes of this Section 7 and, where applicable throughout this document:

“acting in concert” with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the Takeover Code;

an “arrangement” includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

“connected person” means in relation to any person a person whose interest in shares is one in which the first mentioned person is also taken to be interested in pursuant to Part 22 of the Act;

“control” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company, which are exercisable at a general meeting irrespective of whether such interest or interests give de facto control;

“dealing” or “dealt” includes:

- i. acquiring or disposing of relevant securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to relevant securities or general control of relevant securities;
- ii. taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (be either party) or varying an option (including a traded option contract) in respect of any relevant securities;
- iii. subscribing or agreeing to subscribe for relevant securities (whether in respect of new or existing securities);
- iv. exercising or converting any relevant securities carrying conversion or subscription rights;
- v. acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to relevant securities;
- vi. entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
- vii. the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
- viii. any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

“derivative” includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security;

“disclosure period” means the period of 12 months ending on the Latest Practicable Date;

being “interested” in relevant securities includes where a person (otherwise than through a short position):

- i. owns relevant securities;

- ii. has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to the relevant securities or has general control over them;
- iii. by virtue of an agreement to purchase, option or derivative, has the right or option to acquire the relevant securities or call for delivery of them, or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
- iv. is party to any derivative whose value is determined by reference to their price and which results, or may result, in having a long-term position in them;

“relevant securities” means securities which comprise equity share capital (or derivatives referenced thereto) and securities convertible into rights to subscribe for and options (including traded options) in respect of any such securities; and

“short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, arrangement to sell or any delivery obligation or right to require another person to purchase or take delivery.

- (ii) The interests of the directors of the Company in relevant securities of the Company, all of which are beneficial comprise the following holdings of Ordinary Shares:

<i>Name</i>	<i>Ordinary Shares</i>	<i>Percentage of Share Capital</i>	<i>Warrants</i>
Adam Reynolds	893,181	0.70	156,250
Philip Newby	1,507,080	1.17	65,065
Harald Rotsch	2,494,250	1.94	62,500
Giles Clifford	625,000	0.49	156,250
Sarah Stoten	993,648	0.77	156,250

All the Directors whose interests are shown above are members of the Enlarged Concert Party

- (iii) The interests of the Enlarged Concert Party in OTAQ securities are set out in paragraph 7(a) of Part I. No other member of the Enlarged Concert Party has any interest or a short position in relevant securities.
- (iv) Neither the Company nor any director of the Company nor any member of the Enlarged Concert Party has any arrangement (including indemnity or option arrangements), agreement or understanding, formal or informal, of whatever nature, with any person relating to relevant securities of the Company which may be an inducement to deal or refrain from dealing.
- (v) Neither the Company nor any director of the Company nor any member of the Enlarged Concert Party has borrowed or lent any relevant securities during the disclosure period.

- (vi) Certain members of the Enlarged Concert Party dealt in Ordinary Shares during the disclosure period as follows

<i>Date</i>	<i>Name</i>	<i>Transaction</i>	<i>Number</i>	<i>Price</i>
20/06/23	Philip Newby	SIP award	4,616	6.00p
20/06/03	Harald Rotsch	SIP award	4,614	6.00p
20/07/23	Philip Newby	SIP award	4,392	6.83p
20/07/23	Harald Rotsch	SIP award	4,393	6.83p
17/08/23	Philip Newby	SIP award	5,000	6.00p
17/08/23	Harald Rotsch	SIP award	5,000	6.00p
19/09/23	Philip Newby	SIP award	5,000	6.00p
19/09/23	Harald Rotsch	SIP award	5,000	6.00p
17/10/23	Philip Newby	SIP award	5,454	5.50p
17/10/23	Harald Rotsch	SIP award	5,456	5.50p
21/11/23	Philip Newby	SIP award	6,666	4.50p
21/11/23	Harald Rotsch	SIP award	6,666	4.50p
18/12/23	Philip Newby	SIP award	6,000	5.00p
18/12/23	Harald Rotsch	SIP award	6,000	5.00p
18/01/24	Philip Newby	SIP award	6,668	4.50p
18/01/24	Harald Rotsch	SIP award	6,666	4.50p
19/02/24	Philip Newby	SIP award	5,454	5.50p
19/02/24	Harald Rotsch	SIP award	5,454	5.50p
19/03/24	Philip Newby	SIP award	7,500	4.00p
19/03/24	Harald Rotsch	SIP award	7,500	4.00p
18/04/24	Philip Newby	SIP award	10,000	3.00p
18/04/24	Harald Rotsch	SIP award	10,000	3.00p
17/05/24	Philip Newby	SIP award	13,044	2.30p
17/05/24	Harald Rotsch	SIP award	13,044	2.30p

The SIP awards comprised Ordinary Share purchases in the market under a salary sacrifice arrangement and the allotment of an equal number of new matching Ordinary Shares, adding up to the numbers shown above.

Save for the foregoing neither the Company nor any director of the Company, nor any member of the Enlarged Concert Party has dealt in any relevant securities of the Company during the disclosure period.

- (vii) Neither the Company nor any director of the Company has any interests or a short position in any member of the Concert Party.

7.5 As required under the rules of the Takeover Code, the information listed below relating to the Company is hereby incorporated by reference into this Document.

OTAQ plc

<i>No. Document</i>	<i>Source of information</i>
1. Interim report for the six months ended 30 June 2023 (Unaudited)	OTAQ-Interim-results-30-June-2023-final.pdf
2. Report and Financial Statements for the 9 months ended 31 December 2022 (Audited)	OTAQ plc Financial Statements 2022 Board Approved – Fully Signed.pdf
3. Annual Report and Financial Statements for the year ended 31 March 2022 (Audited)	OTAQ plc Financial Statements 2022 Board Approved – Fully Signed.pdf

8. DIRECTORS' SERVICE AGREEMENTS & LETTERS OF APPOINTMENT

8.1 Directors' remuneration

The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to each director of the Company in office during the nine months ended 31 December 2022 for services in all capacities to the Company, together with total amounts set aside or accrued by the Group to provide pension, retirement or similar benefits to each Director, were as follows:

<i>Director</i>	<i>Base salary</i>	<i>Benefits</i>	<i>Pension</i>	<i>Bonus</i>	<i>Compen- sation</i>	<i>Total</i>
Philip Newby	£111,740	£13,723	£6,919	–	–	£132,382
Harald Rotsch	£13,251	£1,205	£465	–	–	£14,921
Giles Clifford	£4,346	–	–	–	–	£4,346
Adam Reynolds	£3,750	–	–	–	–	£3,750
Sarah Stoten	£18,750	–	–	–	–	£18,750

The Benefits included in the table above represent (i) for Mr, Newby, private medical insurance, a car allowance and awards under the SIP, and (ii) for Mr Rotsch, awards under the SIP and reasonable expenses repayment. Justine Dowds was appointed to the Board on 29 April 2024 and consequently received no remuneration from the Company during the nine months ended 31 December 2023.

8.2 Directors' service agreements and letters of appointment

Details of the Directors' service contracts or appointment letters, all of which are between each individual Director and the Company, are as follows. Except for Justine Dowds who was appointed as a Director on 10 April 2024, none of the Directors' service contracts have been amended during the past six months.

Executive Directors – Service agreements

Philip Newby was appointed as Chief Executive Officer of the Company pursuant to a service agreement dated 31 March 2020. The service agreement is terminable on six months' notice given by either party in writing, however, the Company may in its discretion make a payment in lieu of notice. The basic salary payable to Mr Newby for the nine months ended 21 December 2022 was £111,740 per annum in addition to a discretionary bonus. The Company provides other benefits in the form of eligibility to join the Company's pension plan, private medical insurance, director insurance and a car allowance of £9,000 per annum. From 1 January 2024, the basic salary of Mr Newby increased to £168,775 per annum and his car allowance increased to £12,000 per annum. Mr Newby is also eligible to participate in the Company's long term incentive plan

Justine Dowds was appointed as Chief Financial Officer of the Company pursuant to a service agreement dated 30 March 2024. The service agreement is terminable on six months' notice given by either party in writing, however, the Company may in its discretion make a payment in lieu of notice. The basic salary payable to Ms Dowds is £105,000 per annum (for 3.5 days per week), in addition to a discretionary bonus. The Company provides other benefits in the form of a pension contribution, private medical insurance, director insurance and a car allowance of £7,200 per annum. Ms Dowds is also eligible to participate in the Company's share incentive plan.

Harald Rotsch was appointed as Chief Technology Officer of the Company pursuant to a service agreement dated 23 November 2018. The service agreement is terminable on six months' notice given by either party in writing, however, the Company may in its discretion make a payment in lieu of notice. The basic salary payable to Mr Rotsch was £75,750 per annum (for 3 days per week, with extra days worked payable at an equivalent rate). The Company provides other benefits in the form of a pension contribution, director insurance, a car allowance of £6,150 per annum and reasonable expenses allowance. Mr Rotsch is also eligible to participate in the Company's long term incentive plan. From 1 May 2024, the basic salary of Mr Rotsch increased to £85,000 per annum (for 3 days per week, with extra days worked payable at an equivalent rate).

Non-Executive Directors – Letters of appointment

Giles Clifford was appointed as a Non-executive Director of the Company pursuant to a letter of appointment dated 9 November 2022. Mr Clifford's appointment may be terminated on three months' notice by either party and otherwise in the event of a material breach of his obligations under the agreement. Mr Clifford's director's fee is £30,000 per annum.

Adam Reynolds was appointed as a Non-executive Director of the Company pursuant to a letter of appointment dated 21 November 2022. Mr Reynold's appointment may be terminated on three months' notice by either party and otherwise in the event of a material breach of his obligations under the agreement. Mr Reynold's director's fee is £30,000 per annum.

Sarah Stoten is a Non-executive Director on of the Company pursuant to a letter of appointment dated 31 March 2020, having been first appointed a director of the Company on 23 July 2018. Ms Stoten's appointment may be terminated on three months' notice by either party and otherwise in the event of a material breach of her obligations under the agreement. Ms Stoten's director's fee is £30,000 per annum.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or any company in the Group during the two years preceding the date of this Circular and are or may be material or have been entered into by the Company or any company in the Group and contain any provision under which the Company or any company in the Group has any obligation or entitlement which is material to the Company or the Group at the date of this Circular:

- (a) The Placing Agreement dated 26 June 2024 in respect of the Fundraise, as referred to in paragraph 6 of this Part II.
- (b) The Convertible Loan Note Instrument dated 26 June 2024, as referred to under the sub-heading 'Details of the Convertible Loan Notes' under the heading '3. Details of the Fundraise' in Part I.
- (c) An AQSE corporate adviser and broker agreement dated 11 October 2022 between the Company and Dowgate Capital, pursuant to which the Company appointed Dowgate Capital to act as the corporate adviser to the Company on an on-going basis while the Ordinary Shares are traded on the AQSE Growth Market, for which the Company agreed to a fee. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement continues for a fixed period of 12 months from the date of Admission (as defined therein) and thereafter is subject to termination by either party giving three months' prior written notice.
- (d) On 12 October 2022, the Company, the Directors and Dowgate Capital into an open offer and placing agreement in respect of the issue of new Ordinary Shares, subscribers for which were procured by Dowgate Capital, and the admission of the Company's share capital to trading on AQSE Growth Market. The Company agreed to pay Dowgate Capital a corporate finance fee and a commission equal to 4 per cent. of the aggregate value of the new Ordinary Shares (plus applicable VAT), together with all of the costs and expenses of the placing. The Company and the Directors gave certain warranties to Dowgate Capital as to the accuracy of the information in the admission document and the Company gave an indemnity to Dowgate Capital against any losses or liabilities arising out of the proper performance of their duties under the placing agreement.
- (e) On 4 November 2022, the Company, the Directors and Dowgate Capital into a placing agreement in respect of a further issue of new Ordinary Shares, subscribers for which were procured by Dowgate Capital, and the admission of the Company's share capital to trading on AQSE Growth Market. The Company agreed to pay Dowgate Capital a corporate finance fee and a commission equal to 4 per cent. of the aggregate value of the new Ordinary Shares (plus applicable VAT), together with all of the costs and expenses of the further placing. The Company and the Directors gave certain warranties to Dowgate Capital as to the accuracy of the information in the admission document and the Company gave an indemnity to Dowgate Capital against any losses or liabilities arising out of the proper performance of their duties under the placing agreement.
- (f) On 7 November 2022 the Company issued 22,499,978 Warrants to shareholders who participated in the new share issue of the same date. Each Warrant entitles the holder to subscribe for new

Ordinary Shares on the basis of 1 Ordinary Shares for every 1 warrant at a price of 12p per share and exercisable at any time before 9 November 2024.

- (g) On 17 April the Company and Dowgate Capital entered into an engagement letter engaging Dowgate Capital as the Company's broker and financial adviser in relation to the Fundraise. The letter sets out the services that Dowgate Capital will provide the Company in connection with the Fundraise and the fees that Dowgate Capital will receive in relation to the Fundraise. The engagement continues unless otherwise agreed in writing until the earlier of the completion of the Fundraise or (as extended) 31 July 2024.

10. SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Company since 30 June 2023 (being the date of the end of the last financial period for which interim financial information has been published).

11. MIDDLE MARKET QUOTATIONS

Set out below are the closing middle-market quotations for the Ordinary Shares for the first dealing day of each of the six months immediately preceding the date of this Circular and for the Last Practicable Date:

<i>Date</i>	<i>Closing middle market quotation (pence)</i>
2 January 2024	4.50
1 February 2024	4.50
1 March 2024	4.50
2 April 2024	1.89
1 May 2024	0.75
3 June 2024	2.75
25 June 2024	3.75

12. INDEPENDENCE ADVICE

Guild Financial has provided competent and independent advice to the Independent Director, in accordance with the requirements of paragraph 4(a) of Appendix 1 to the Takeover Code, in relation to the granting of the Rule 9 Waiver and has provided independent advice to the Board in relation to the related party involvement in the Placing described in paragraph 5 of Part I. Guild Financial has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the references to its name in the form and context in which it appears. Guild Financial has confirmed that it is independent of the Enlarged Concert Party and has no commercial relationship with any of its members.

13. SPECIAL ARRANGEMENTS AND TRANSFERS

No agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Enlarged Concert Party and any of the directors, recent directors, shareholders or recent shareholders of OTAQ, or any person interested or recently interested in Ordinary Shares of OTAQ, having any connection with or dependence upon the Rule 9 Waiver.

No members of the Enlarged Concert Party have any agreement, arrangement or understanding for any Notes to which the Rule 9 Waiver applies to be transferred to a third party.

14. AVAILABILITY OF THIS CIRCULAR

Copies of this document will be available free of charge at the registered office of the Company and on the Company's website at www.otaq.com.

15. DOCUMENTS AVAILABLE FOR INSPECTION ON THE COMPANY'S WEBSITE

Copies of the following documents will be available for inspection on the Company's website, www.otaq.com, up to and including the day of the General Meeting:

- (a) the Company's articles of association;
- (b) the written consent letter referred to in paragraph 12 above of this Part II;
- (c) the material contracts referred to in paragraph 9 above of this Part II; and
- (d) full list of all dealings as set out in paragraph 7 above of this Part II.

PART III

NOTICE OF GENERAL MEETING

OTAQ PLC

(Incorporated and registered in England and Wales under the Companies Act with registered number 11429299)

NOTICE IS HEREBY GIVEN that a General Meeting ("**Meeting**") of OTAQ plc (the "**Company**") will be held on 12 July 2024 at 10.00 a.m. at the Company's offices at The Barracks, White Cross, Lancaster, LA1 4XF.

Shareholders will be asked to consider and, if thought fit, vote on the Resolutions set out below. Resolutions nos. 1 and 2 will be proposed as ordinary resolutions and Resolution no. 3 will be proposed as a special resolution. Please note that only Independent Shareholders may vote on Resolution no 1, which will be taken on a poll.

ORDINARY RESOLUTIONS

1. **THAT** the waiver granted by the Panel on Takeovers and Mergers of any obligation which may otherwise arise pursuant to Rule 9 of the City Code on Takeovers and Mergers ("**Takeover Code**") for the members of the Enlarged Concert Party (as defined in the circular to shareholders of the Company dated 26 June 2024 (the "**Circular**")) to make a general cash offer for the entire issued share capital of the Company (other than any ordinary shares in the Company held by members of the Enlarged Concert Party) as a result of the increases in their aggregate holding of ordinary shares in the Company to be issued on the exercise of the conversion rights in respect of the Convertible Loan Notes (as defined in the Circular) or upon the allocation of any ordinary shares to Company employees who are members of the Enlarged Concert Party under the Company's share incentive plan prior to 30 June 2025, be and is hereby approved
2. **THAT** the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "**Companies Act**"), to exercise all the powers of the Company to grant the rights to convert all or any amount of the principal of the Convertible Loan Notes issued by the Company as described and defined in the circular dated 26 June 2024 from the Company to its shareholders in which this notice of general meeting was set out (the "**Circular**") into ordinary shares in the Company up to an aggregate nominal amount of £900,000, on the terms and conditions set out in the Convertible Loan Note Instrument (as also described and defined in the Circular) creating the Convertible Loan Notes (the "**Convertible Loan Note Instrument**").

The authority set out in this resolution no. 2 shall expire on 31 December 2024 and is in addition to all unexercised authorities previously granted to the Directors of the Company for the purposes of section 551 of the Companies Act to allot shares and grant rights to subscribe for, or convert any security into, shares in the Company.

SPECIAL RESOLUTION

3. **THAT**, subject to the passing of Resolution no. 2 and in accordance with section 570 of the Companies Act, the Directors of the Company be and are generally empowered to grant the rights to convert all or any amount of the principal of the Convertible Loan Notes issued by the Company as described and defined in the Circular into ordinary shares in the Company up to an aggregate nominal amount of £900,000, on the terms and conditions set out in the Convertible Loan Note Instrument, pursuant to the authority conferred by Resolution no. 2 above, as if section 561(1) of the Companies Act did not apply to any such grant.

The power set out in this Resolution no. 3 shall expire on 31 December 2024 and is in addition to all unexercised powers previously granted to the Directors of the Company to allot equity securities (as defined in section 560 of the Companies Act) as if section 561 of the Companies Act did not apply.

Dated: 26 June 2024

BY ORDER OF THE BOARD

Justine Dowds

Director & Company Secretary
OTAQ plc

Registered office:

8-3-4 Harpers Mill
South Road
White Cross
Lancaster
LA1 4XF

EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING:

Appointment of proxies

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Form of Proxy with this notice of Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
2. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the Meeting, you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
3. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate Form of Proxy for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy, you must contact the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX or by e-mail at Enquiries@shareregistrars.uk.com. Failure to specify the number of shares to which each proxy appointment relates, or specifying a number of shares greater than that held by you on the record date will result in the proxy appointments being invalid.
4. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting. 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.
5. You can register your vote(s) for the General Meeting either:
 - by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate the relevant log-in details on the top of the Form of Proxy);
 - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 12 – 15 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 10.00 a.m. on 10 July 2024.

Appointment of a proxy using the hard copy proxy form or Registrar website

6. The notes to the Form of Proxy explain how to direct your proxy how to vote on each resolution or withhold their vote.
7. To appoint a proxy using the hard copy Form of Proxy, it must be:-
 - a) completed and signed;
 - b) sent or delivered to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX; and
 - c) received by the Company's registrars no later than 10.00 a.m. on 10 July 2024.
8. To appoint a proxy online, visit www.shareregistrars.uk.com click on the 'Proxy Vote' button and then follow the on-screen instructions. You can locate your log-in details (user name and access code) on the top of your Form of Proxy. The appointment must be received by the Registrar no later than 10.00 a.m. on 10 July 2024.
9. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
10. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
11. The Company, pursuant to regulation 41 of The Uncertificated Securities Regulations 2001 (SI 2001/3755), specifies that only those Existing Shareholders registered in the register of members of the Company at 10.00 a.m. on 10 July 2024 or, if the meeting is adjourned, in the register of members 48 hours prior to the time of any adjourned meeting (ignoring any part of the day that is not a working day) will be entitled to attend or vote at the Meeting in respect of the number of Existing Ordinary Shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the Meeting.

Appointment of proxies through CREST

12. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) 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.
13. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: 7RA36) by 10.00 a.m. on 10 July 2024. For this purpose, the time of

receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

14. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear 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 is 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.
15. 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 (SI 2001/3755).

Appointment of proxy by joint members

16. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

17. To change your proxy instructions simply submit a new proxy appointment using the methods set out in paragraphs 5 to 15 above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
18. Where you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard copy Form of Proxy, please contact the Company's registrar as indicated in paragraph 3 above.
19. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

20. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrar as indicated in paragraph 3 above. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
21. The revocation notice must be received by the Company no later than 10.00 a.m. on 10 July 2024.
22. If you attempt to revoke your proxy appointment but the revocation is received after the time specified in paragraph 20 above, then, subject to paragraph 22 below, your proxy appointment will remain valid.
23. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

24. A corporation, which is a member, can appoint one or more corporate representatives, who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

25. As at 6.00 p.m. on 24 June 2024 (being the last practicable date prior to the publication of this notice), the Company's issued share capital comprised 128,405,917 ordinary shares of £0.01 each and 37,758,052 issued deferred shares of £0.14 each. Each ordinary share carries the right to one vote at a general meeting of the Company. None of the deferred shares carry any voting rights. The total number of voting rights in the Company as at 6.00 p.m. on 24 June 2024 is therefore 128,405,917.

Communication

26. You may not use any electronic address provided either in this notice of Meeting or any related documents (including the document within which this notice of Meeting is incorporated and the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

