

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 as amended, who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document at once 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, except that such documentation should not be sent into any jurisdiction where to do so may constitute a violation of local securities laws or regulations.

This document does not constitute a prospectus within the meaning of section 85 of FSMA or an admission document for the purposes of the AIM Rules for Companies, has not been drawn up in accordance with the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority. This document does not constitute an offer of transferable securities to the public within the meaning of FSMA or otherwise and has not been approved for the purposes of section 21 of FSMA.

The Directors, whose names appear on page 5 of this document, and the Company, the registered office of which is set out on page 5 of this document, accept responsibility, collectively and individually, for the information contained in this document, including compliance with the AIM Rules for Companies. To the best of the knowledge of the Directors (having taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect the import of such information.

Application has been made for the New Ordinary Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that First Admission will become effective and dealings in the Firm Placing Shares are expected to commence at 8.00 a.m. on or around 17 April 2020. Subject to certain conditions being satisfied, including the passing of the Resolution at the General Meeting, it is anticipated that Second Admission will become effective and that dealings in the Conditional Placing Shares will commence at 8.00 a.m. on or around 1 May 2020.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The Ordinary Shares are not traded on any other market or exchange, and save for the application for admission to AIM, no such applications have been made or will be made.

You are recommended to read the whole of this document, but your attention is drawn, in particular, to the letter from the Chairman of Bonhill Group plc set out on page 5. This letter explains the background to, and reasons for, the Placing and includes a recommendation that you vote in favour of the Resolution to be proposed at the General Meeting as the Directors intend to do, or to procure to be done, in respect of their own beneficial holdings of Ordinary Shares.

BONHILL GROUP PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 02607995)

CONDITIONAL PLACING OF 45,141,440 NEW ORDINARY SHARES AT 5 PENCE PER SHARE AND NOTICE OF GENERAL MEETING

The Firm Placing Shares and the Conditional Placing Shares will, on First Admission and Second Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, paid or made after First Admission and Second Admission respectively.

Shore Capital and Corporate is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser for the purpose of the AIM Rules for Companies. Shore Capital and Corporate will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing or the contents of this document.

Shore Capital Stockbrokers is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing (whether or not a recipient of this document), and is acting exclusively for the Company as joint broker for the purpose of the AIM Rules for Companies. Shore Capital Stockbrokers will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing or the contents of this document.

Canaccord Genuity is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing (whether or not a recipient of this document), and is acting exclusively for the Company as joint broker for the purpose of the AIM Rules for Companies. Canaccord Genuity will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing or the contents of this document.

Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Shore Capital or Canaccord Genuity as to the contents of this document. No liability whatsoever is accepted by Shore Capital or Canaccord Genuity for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which they are not responsible.

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

This document will be available free of charge on the Company's website. The information contained in this document has been prepared solely for the purposes of the Placing and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange), and accordingly no duty of care is accepted in relation to any such persons.

Set out at the end of this document is a Notice of General Meeting of the Company to be held at the offices of the Company Secretary, 7 York Road, Woking GU22 7XH at 10.00 a.m. on 30 April 2020. A Form of Proxy for use at the General Meeting is enclosed. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned as soon as possible and, in any event, so as to be received by the Company's registrars, Share Registrars, by not later than 10.00 a.m. on 28 April 2020. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the time by which a Shareholder must be entered in the register of members in order to have the right to attend and vote at the meeting is 10.00 a.m. on 28 April 2020. **In view of the ongoing COVID-19 pandemic, the Company and the Board remind all Shareholders of the British Government's new rules prohibiting gatherings of more than two people from a different household. Shareholders of the Company should therefore comply with the Government's rules by not attending the General Meeting in person and instead appoint the Chairman of the Meeting as their proxy with their voting instructions. Any Shareholder seeking to attend the General Meeting will be refused entry. The Company is taking these precautionary measures to comply with the British Government's rules in relation to the COVID-19 pandemic, to safeguard its shareholders' and employees' health and to make the General Meeting as safe as possible.**

NOTICE TO OVERSEAS SHAREHOLDERS

The Placing Shares have not been and will not be registered or qualified under the relevant laws of any state, province or territory of the Excluded Territories and may not be offered or sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into or within any of the Excluded Territories except pursuant to an applicable exemption from such Excluded Territory's registration or qualification requirements.

Subject to certain exceptions in compliance with the Securities Act and the rules promulgated thereunder or any applicable laws in the Excluded Territories, this document will not be published, released, or distributed, directly or indirectly; and must not be sent, in whole or in part: (i) in or into any Excluded Territory; (ii) to any person within the United States; or (iii) to any person in any jurisdiction where to do so might constitute a violation of local securities laws or regulation.

The Placing Shares have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States. The Placing Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly to or within the United States or to any US Person, except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission (the SEC), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

No action has been taken by the Company, Shore Capital or Canaccord Genuity that would permit an offer of the Placing Shares or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than the United Kingdom. None of the Company, Shore Capital, Canaccord Genuity or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of Placing Shares regarding the legality of an investment in the Placing Shares by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer. This document does not constitute an offer to sell the Placing Shares to any person in any jurisdiction. The Company reserves the right, in its sole and absolute discretion, to reject any subscription or purchase of the Placing Shares that the Company or its representatives believe may give rise to a breach or violation of any law, rule or regulation.

FORWARD LOOKING STATEMENTS

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Placing, the expected timing of the Placing and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as "intends", "anticipates", "targets", "estimates", "believes", "should", "plans", "will", "expects" and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of Bonhill Group plc and are subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are also a number of other factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, local and global political and economic conditions, interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

None of Bonhill Group plc, Shore Capital and Canaccord Genuity nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules for Companies, the Disclosure and Transparency Rules of the Financial Conduct Authority and the City Code on Takeovers and Mergers), none of Bonhill Group plc, Shore Capital and Canaccord Genuity is under any obligation, and each of them expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COVID-19 virus

Given the rapidly changing global situation, and the current uncertainty over the duration of the disruption caused by the Covid-19 pandemic, it is impossible to predict, with any certainty, the continuing impact on the Group's business. As such, this document should be considered against this backdrop and Shareholders and potential investors should understand that there is a very high level of uncertainty surrounding any forward looking statements and assumptions stated in connection with the Placing.

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PLACING STATISTICS

Placing Price per Placing Share	5p
Number of Existing Ordinary Shares	48,585,692
Number of Firm Placing Shares	4,858,560
Number of Ordinary Shares in issue immediately following First Admission	53,444,252
Number of Conditional Placing Shares	45,141,440
Number of Ordinary Shares in issue immediately following Second Admission	98,585,692
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares	50.7 per cent.
Gross proceeds of the Placing receivable by the Company	£2.5 million
Estimated net proceeds of the Placing receivable by the Company	£2.3 million

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2020
Publication and posting of the Circular and the Forms of Proxy	14 April
Admission to trading on AIM of the Firm Placing Shares and enablement in CREST	17 April
Latest time and date for return of Forms of Proxy or CREST Proxy instructions for the General Meeting	10.00 a.m. on 28 April
General Meeting	10.00 a.m. on 30 April
Announcement of the result of the General Meeting	30 April
Admission to trading on AIM of the Conditional Placing Shares and enablement in CREST	8.00 a.m. on 1 May
Despatch of definitive share certificates for Firm Placing Shares	1 May
Despatch of definitive share certificates for Conditional Placing Shares in certificated form (where applicable)	15 May

Notes:

1. References in this document are to London, UK time unless otherwise stated.
2. The timing of the events in the above timetable and in this document is indicative only. If any of the above times and/or dates are adjusted by the Company, the revised times and/or dates will be notified to the London Stock Exchange by an announcement via an RIS and, where appropriate, to Shareholders.
3. The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.

LETTER FROM THE CHAIRMAN OF BONHILL GROUP PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 02607995)

Directors:

Nileshbhai (Neil) Sachdev MBE *(Non-Executive Chairman)*
Simon Stilwell *(Chief Executive Officer)*
David Brown *(Chief Financial Officer)*
Anne Donoghue *(Non-Executive Director)*
Fraser Gray *(Non-Executive Director)*

Registered Office:

1st Floor, Fleet House
59-61 Clerkenwell Road
London EC1M 5LA

14 April 2020

Dear Shareholder

CONDITIONAL PLACING OF 45,141,440 NEW ORDINARY SHARES AT 5 PENCE PER SHARE AND NOTICE OF GENERAL MEETING

1. Introduction

On 9 April 2020 it was announced that the Company had conditionally raised, in aggregate, £2.5 million (before expenses) by way of a placing of 50,000,000 new Ordinary Shares at 5 pence per share.

The Placing will take place in two tranches, with the first tranche of up to 4,858,560 new Ordinary Shares (the “Firm Placing Shares”) utilising the Company’s existing shareholder authorities to issue new shares on a non-pre-emptive basis for cash (the “Firm Placing”) and the second tranche of 45,141,440 new Ordinary Shares (the “Conditional Placing Shares” and together with the Firm Placing Shares, the “Placing Shares”) to be issued subject to Shareholder approval to be sought at a General Meeting (the “Conditional Placing”).

The Placing Price represents a discount of approximately 23 per cent. to the closing mid-market price of 6.5 pence on 8 April 2020, the last trading day prior to the release of the Announcement.

The issue of the Conditional Placing Shares is subject to the passing of the Resolution at the General Meeting.

Further details of the Placing and the Shareholder approval required in relation to it, are set out below.

The purpose of this document is to provide Shareholders with further information on the Conditional Placing, and this letter explains why the Board believes that it is in the best interests of the Company and its Shareholders as a whole and recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, notice of which is set out at the end of this document, as they intend to do in respect of their aggregate shareholdings representing approximately 4.0 per cent. of the Existing Ordinary Share Capital.

In the event that the Resolution is not passed and the Company is unable to complete the Conditional Placing, based on the uncertainty of projected cash flows of the Group in light of the COVID-19 outbreak, it is likely that the Company would have to take even more severe actions to preserve its cash position in the short term. Any such actions may well have an adverse impact on Shareholder value.

2. Background to and reasons for the Placing

On 23 March 2020, the Company released a COVID-19 Update, in which it stated that the COVID-19 pandemic was causing significant disruption to the Financial Services, Technology and Diversity communities that it serves in its four key geographies, being the UK, Europe, North America and Asia. The Company stated that it had been managing the impact of the virus on its business in Asia since earlier this year, which has proven beneficial in its ability to manage the recent rapid escalation of COVID-19 in those other regions.

The Company’s overriding concern remains the health, safety and wellbeing of its employees, clients and partners. It is complying with all relevant government recommendations globally and its staff are successfully working remotely, made possible by their flexible and positive attitude and the Company’s significant investment in a technology platform over the past year.

In light of developments and the conditions in which the Group is operating, the Board provides the following update:

- At the end of 2019, approximately 40 per cent. of the Group's total consolidated unaudited revenue of £24.4 million was derived from events activity across its four key geographies.
- As announced in its trading update released on 20 January 2020, the Company started 2020 well with strong forward bookings in the UK and US following the decisive UK General Election result, greater clarity on Brexit and the well-publicised issues in UK fund management caused by a high-profile fund failure;
- In 2020, the Company has run 16 events, but as the impact of COVID-19 has increased this has scaled down, particularly in March, and it has no events scheduled until July 2020 at the earliest;
- The vast majority of the Company's UK, US, European and Asian events have been postponed until July 2020 at the earliest or more commonly to the third and fourth quarters of 2020; specifically the events deferred to the second half were expected to generate total revenues of £5.0 million, comprising approximately £1.8 million in the US, £1.7 million in the UK, £1.2 million in Europe and £0.3 million in Asia;
- A very small number of events generating a total revenue of approximately £0.2 million have been cancelled, but are expected to return in 2021;
- The combined impact of COVID-19 on the Company's events business will be to lower expected revenue by £5.2 million and gross profit by £3.1 million for the first half of the Company's financial year ending 31 December 2020 ("FY2020"). As previously described, revenues of £5.0 million have been postponed until the second half of FY2020;
- Three events have been moved to a webinar format which has been well received by clients who seek to maintain dialogue with their core community. More events will utilise webinar formats as appropriate;
- Management has seen a surge of interest in the Company's Small Business offering (www.smallbusiness.co.uk). It was already performing ahead of budget in the year to date and saw 1.2 million unique users in March 2020 compared to 181,000 in February 2020. It has also grown its email subscribers fourfold during the month of March, which is a reflection of the need for information in uncertain times by a core community and the role we play in supporting that community;
- In 2019, the Company made annualised cost savings of £1.5 million and in response to COVID-19 we have had to undertake further significant cost savings across the Group resulting in a 15 per cent. reduction in roles in the UK and European businesses. When aggregated with additional cost savings that have been made or been identified across the Group, this is expected to result in further savings of £3.8 million. The Group now operates in one site in the UK and has the benefit of shared, IT, finance, marketing and event operations services;
- Across the Group, costs are being tightly managed, and we are taking actions to conserve cash, such as the reduction in roles referred to above, including a furlough process, which took effect from 1 April 2020 and deferral of paying PAYE and VAT. As at 20 March 2020, the Group had a total cash balance of £1.6 million and a vendor loan of \$3.1 million repayable in monthly instalments until August 2021. The Board is in discussions with banks in the UK and the US to try to take advantage of the Government backed loan schemes being made available, but does not know how long the process will take or whether the Company's application might prove successful or not.

Other than those referred to above, all of the Company's remaining events are currently expected to go ahead as planned in Q3 or Q4 2020. The situation is evolving on a daily basis, and the Board will continue to work hard to mitigate the impact that the outbreak is having on the Company.

Given the lack of certainty on the outcome of FY2020 and its actions to conserve cash, the Board suspended dividend payments until the outlook is clearer and more normal trading conditions have resumed. However, on the assumption that in FY2020 the Company generates approximately £20 million of revenue, the Board considers that the Company should be EBITDA positive in FY2020.

In light of the above, the Board therefore considers that it is now appropriate to raise £2.5 million for working capital purposes by way of the Placing.

3. Details of the Placing

The Company announced that it is raising, in aggregate, £2.5 million (approximately £2.3 million net of expenses) by way of the Placing pursuant to which Shore Capital and Canaccord Genuity, as agents of and on behalf of the Company, have conditionally placed the Placing Shares with Placees at the Placing Price.

The Firm Placing is conditional, *inter alia*, upon the Placing Agreement not having been terminated and becoming unconditional in respect of those shares, including First Admission which it is expected will become effective, and dealings in the Firm Placing Shares are expected to commence, at 8.00 am. on 17 April 2020.

The Conditional Placing is conditional, amongst other things, on:

- (i) the passing of the Resolution at the General Meeting;
- (ii) the Placing Agreement becoming unconditional in all respects save for Second Admission by no later than 8.00 a.m. on 1 May 2020 (or such later date, as the Brokers may agree being no later than 8.00 a.m. on 15 May 2020) and not having been terminated in accordance with its terms; and
- (iii) Second Admission.

The Placing Agreement contains customary warranties given by the Company to the Brokers in respect of matters relating to the Company and its business and a customary indemnity given by the Company to the Brokers in respect of certain liabilities they may incur in respect of the Placing. The Brokers have the right to terminate the Placing Agreement in certain circumstances prior to Second Admission, in particular in the event of a material breach of the warranties or a *force majeure* event.

The Placing Shares will represent approximately 51 per cent. of the Enlarged Share Capital and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

If the Resolution is passed at the General Meeting, it is expected that Second Admission will become effective and dealings in the Conditional Placing Shares will commence at 8.00 a.m. on 1 May 2020.

4. Use of proceeds

The net proceeds of the Placing will be used to fund the working capital requirements of the Company up to Q4 2020.

5. Admission, settlement and dealings

Application has been made for the Placing Shares to be admitted to trading on AIM. If the Resolution is passed at the General Meeting, it is expected that Second Admission will become effective and dealings in the Conditional Placing Shares will commence at 8.00 a.m. on 1 May 2020. These dates and times may change.

The Company will apply for the Firm Placing Shares and the Conditional Placing Shares to be admitted to CREST with effect from First Admission and Second Admission respectively. Accordingly, settlement of transactions in New Ordinary Shares held in uncertificated form following their issue will take place within the CREST system.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

All Placing Shares will be issued payable in full at the Placing Price. It is intended that, if applicable, definitive share certificates in respect of the Firm Placing Shares will be distributed by 1 May 2020 and for Conditional Placing Shares by 15 May 2020 or as soon as practicable thereafter. No temporary documents of title will be issued.

6. Unaudited preliminary results for the year ended 31 December 2019

On 24 March 2020, the Company announced its unaudited preliminary results for the year ended 31 December 2019. Revenue was £24.4 million (9 months ended 31 December 2018: £8.0 million), adjusted EBITDA of £2.3 million (9 months ended 31 December 2019: £0.9 million) and net assets of £29.9 million (31 December 2018: £22.9 million). The Company's audited financial statements are expected to be published in late April 2020.

7. Directors' participation in the Placing

The Directors have conditionally subscribed for an aggregate of 4,680,000 Placing Shares at the Placing Price pursuant to the Placing in the proportions set out below:

<i>Director</i>	<i>No. of Firm Placing Shares subscribed for</i>	<i>Interest in Ordinary Shares post-First Admission</i>	<i>% of enlarged share capital post-First Admission</i>	<i>No. of Conditional Placing Shares subscribed for</i>	<i>Interest in Ordinary Shares post-Second Admission</i>	<i>% of Enlarged Share Capital</i>
Neil Sachdev	21,540	70,350	0.13%	178,460	248,810	0.25%
Simon Stilwell	215,370	1,080,870	2.02%	1,784,630	2,865,500	2.91%
David Brown	107,570	1,091,543	2.04%	1,772,430	2,863,973	2.91%
Anne Donoghue	43,070	47,604	0.09%	356,930	404,534	0.41%
Fraser Gray	21,540	41,608	0.08%	178,460	220,068	0.22%

8. Related Party Transactions

Neil Sachdev, Non-Executive Chairman, has agreed to subscribe for 200,000 Placing Shares. As at the date of this document, Neil holds 48,810 Existing Ordinary Shares representing approximately 0.1 per cent. of the Existing Ordinary Shares. Simon Stilwell, Chief Executive, has agreed to subscribe for 2,000,000 Placing Shares. As at the date of this document, Simon holds 865,500 Existing Ordinary Shares representing approximately 1.78 per cent. of the Existing Ordinary Shares. David Brown, Chief Financial Officer, has agreed to subscribe for 1,880,000 Placing Shares. As at the date of this document, David holds 983,973 Existing Ordinary Shares representing approximately 2.03 per cent. of the Existing Ordinary Shares. Anne Donoghue, Non-Executive Director, has agreed to subscribe for 400,000 Placing Shares. As at the date of this document, Anne holds 4,534 Existing Ordinary Shares representing approximately 0.01 per cent. of the Existing Ordinary Shares. Fraser Gray, Non-Executive Director, has agreed to subscribe for 200,000 Placing Shares. As at the date of this document, Fraser holds 20,068 Existing Ordinary Shares representing approximately 0.04 per cent. of the Existing Ordinary Shares. As Neil, Simon, David, Anne and Fraser are directors of the Company, their aggregate participation in the Placing is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies.

In addition, client funds of Downing LLP (together, "Downing LLP") have agreed to subscribe for 6,500,000 Placing Shares. As at the date of this document, Downing LLP holds 5,449,813 Existing Ordinary Shares representing approximately 11.22 per cent. of the Existing Ordinary Shares. As such, Downing LLP is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies.

Schroders plc has agreed to subscribe for 6,500,000 Placing Shares. As at the date of this document, Schroders plc holds 5,365,500 Existing Ordinary Shares representing approximately 11.04 per cent. of the Existing Ordinary Shares. As such, Schroders plc is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to Rule 13 of the AIM Rules for Companies.

As there are no independent Directors, Shore Capital and Corporate, as the Company's nominated adviser, considers that the terms of each of the Director's, Downing LLP's and Schroders plc's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

9. General Meeting

To enable the Conditional Placing to be implemented, it is necessary for Shareholders to give the Board the necessary authorities to allot the Conditional Placing Shares.

Accordingly, you will find at the end of this document the notice convening the General Meeting to be held at the offices of the Company Secretary, 7 York Road, Woking GU22 7XH at 10.00 a.m. on 30 April 2020. The following resolution will be proposed at the General Meeting as a special resolution:

Authority to allot shares and disapplication of pre-emption rights

- (a) To grant authority to the Directors to allot (i) shares in connection with the Conditional Placing; and (ii) any further Ordinary Shares up to a maximum aggregate nominal amount of £657,237.94, which represents approximately two-thirds of the Enlarged Share Capital. This additional two-thirds authority is granted on the basis that any amount in excess of one third of the Enlarged Share Capital may only be allotted pursuant to a fully pre-emptive rights issue. The Directors have no present intention of exercising any part of the additional 'two thirds' authority.
- (b) To allow the Directors to allot equity securities as if the statutory pre-emption rights contained in section 561(1) of the Act do not apply. This authority is limited to the allotment of shares in connection with (i) the Conditional Placing; (ii) rights issues and other pre-emptive offers; and (iii) otherwise up to an aggregate nominal amount of £197,171.38, representing approximately 20 per cent. of the Enlarged Share Capital.

10. Action to be taken

In view of the ongoing COVID-19 pandemic, the Company and the Board remind all Shareholders of the British Government's new rules prohibiting gatherings of more than two people from a different household. Shareholders of the Company should therefore comply with the Government's rules by not attending the General Meeting in person and instead appoint the Chairman of the meeting as their proxy with their voting instructions. The deadline for doing this is by 10.00 a.m. on 28 April 2020. In order to reduce the risk of infection, the meeting will end immediately following the business of the General Meeting. Any Shareholder seeking to gain entry to the General Meeting will be refused entry. The Company is taking these precautionary measures to comply with the British Government's rules in relation to the COVID-19 pandemic, to safeguard its shareholders' and employees' health and to make the General Meeting as safe as possible.

You will find enclosed a Form of Proxy for use by Shareholders at the General Meeting. The Form of Proxy should be completed in accordance with the instructions printed thereon and forwarded to the Company's registrars, Share Registrars, or submitted electronically through CREST, or scanned copies may be sent via email to the following address: voting@shareregistrars.uk.com with 'Bonhill Group PLC General Meeting Vote' in the subject line as soon as possible, and in any event so as to be received by no later than 10.00 a.m. on 28 April 2020.

In the event that the Resolution is not passed and the Company is unable to complete the Conditional Placing, based on the uncertainty of projected cash flows of the Group in light of the COVID-19 outbreak, it is likely that the Company would have to take even more severe actions to preserve its cash position in the short term. Any such actions may well have an adverse impact on Shareholder value.

11. Recommendation

The Directors consider that the Placing is in the best interests of the Company and Shareholders as a whole.

Accordingly, the Directors unanimously recommend that you vote in favour of the Resolution as they intend to do in respect of their own direct and beneficial shareholdings being, in aggregate, 1,922,885 Existing Ordinary Shares, representing approximately 4.0 per cent. of the Existing Ordinary Share Capital.

Yours faithfully

Neil Sachdev

Non-Executive Chairman

DEFINITIONS

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

Act	Companies Act 2006
First Admission	admission of the Firm Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
AIM	the market of that name operated by the London Stock Exchange
AIM Rules for Companies	the AIM Rules for Companies published by the London Stock Exchange, as amended
Announcement	the announcement of the Placing released by the Company on 9 April 2020
Board or Directors	the directors of the Company as at the date of this document, or any duly authorised committee thereof
Brokers	Shore Capital and Canaccord Genuity
Canaccord Genuity	Canaccord Genuity Limited
Certificated or certificated form	means not in uncertificated form (that is, not in CREST)
Company or Bonhill	Bonhill Group plc, a company incorporated in England and Wales with registered number 02607995
Conditional Placing	the conditional placing by Shore Capital and Canaccord Genuity, as agents of and on behalf of the Company, of the Conditional Placing Shares at the Placing Price on the terms and subject to the conditions of the Placing Agreement
Conditional Placing Shares	45,141,440 new Ordinary Shares which are to be issued under the Conditional Placing
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparts Service Manual, CREST Rules, Registrar Service Standards, Settlement Discipline Rules CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms) promulgated by Euroclear on 15 July 1996, (as amended) and published by Euroclear
CREST member	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI2001/3755)
Enlarged Share Capital	the issued share capital of the Company immediately following Second Admission
Euroclear	Euroclear UK and Ireland Limited (formerly named CrestCo Limited), the operator of CREST

Existing Ordinary Share Capital	the issued ordinary share capital of the Company at the date of this document, comprising 48,585,692 Existing Ordinary Shares
Existing Ordinary Shares	ordinary shares of 1p each in the capital of the Company in issue as at the date of this document
FCA	the Financial Conduct Authority
Firm Placing	the placing by Shore Capital and Canaccord Genuity, as agents of and on behalf of the Company, of the Firm Placing Shares at the Placing Price on the terms and subject to the conditions of the Placing Agreement
Firm Placing Shares	4,858,560 new Ordinary Shares which are to be issued under the Firm Placing
Form of Proxy or Proxy Form	the form of proxy enclosed with this document for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting	the general meeting of the Company convened for 10.00 a.m. on 30 April 2020 at the offices of the Company Secretary, 7 York Road, Woking GU22 7XH, and any adjournment thereof, notice of which is set out at the end of this document
Group	the Company and its subsidiaries at the date of this document
London Stock Exchange	London Stock Exchange plc
Notice or Notice of Meeting	the notice of General Meeting set out at the end of this document
Ordinary Shares	ordinary shares of 1p each in the capital of the Company
Placees	persons who have agreed to subscribe for Ordinary Shares pursuant to the Conditional Placing
Placing	the Firm Placing and Conditional Placing by Shore Capital and Canaccord Genuity, as agents of and on behalf of the Company, of the Placing Shares at the Placing Price on the terms and subject to the conditions of the Placing Agreement
Placing Agreement	the agreement dated 9 April 2020 and made between the Company, Shore Capital Corporate, Shore Capital Stockbrokers and Canaccord Genuity, details of which are set out in this document
Placing Price	5 pence per Placing Share
Placing Shares or New Ordinary Shares	50,000,000 new Ordinary Shares which are to be issued under the Placing
Registrars or Share Registrars	Share Registrars Limited
RIS	a regulatory information service that is approved by the FCA and that is on the list of regulatory information service providers as maintained by the FCA
Resolution	the resolution to be proposed at the General Meeting, details of which are set out in the Notice of Meeting

Second Admission	admission of the Conditional Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
Shareholders	holders of Ordinary Shares from time to time
Shore Capital	Shore Capital Stockbrokers and/or Shore Capital and Corporate, as the context permits
Shore Capital and Corporate	Shore Capital and Corporate Limited
Shore Capital Stockbrokers	Shore Capital Stockbrokers Limited
Sterling, £, pence or p	the lawful currency of the UK
Uncertificated or uncertificated form	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

NOTICE OF GENERAL MEETING

BONHILL GROUP PLC

(the “Company”)

(incorporated and registered in England and Wales with registered number 02607995)

In view of the ongoing COVID-19 pandemic, the Company and the Board remind all Shareholders of the British Government’s new rules prohibiting gatherings of more than two people from a different household. Shareholders of the Company should therefore comply with the Government’s rules by not attending the General Meeting in person and instead appoint the Chairman as their proxy with their voting instructions. The deadline for doing this is by 10.00 a.m. on 28 April 2020. In order to reduce the risk of infection, the meeting will end immediately following the business of the General Meeting. Notwithstanding anything to the contrary set out in the notes to this Notice regarding a Shareholder’s right to attend the Meeting, any Shareholder seeking to attend the Meeting will be refused entry. The Company is taking these precautionary measures to comply with the British Government’s rules in relation to the COVID-19 pandemic, to safeguard its shareholders’ and employees’ health and to make the General Meeting as safe as possible.

NOTICE is hereby given that a general meeting (the **Meeting**) of the Company will be held at the offices of the Company Secretary, 7 York Road, Woking GU22 7XH on 30 April 2020 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the below resolution, which will be proposed as a special resolution.

SPECIAL RESOLUTION

1. That:

1.1 in substitution for any existing authority under section 551 of the Companies Act 2006 (the **Act**), the Directors be generally and unconditionally authorised for the purposes of that section, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or convert any security into, shares in the Company (being **relevant securities**) provided that this authority shall be limited to:

- (a) the allotment of the Conditional Placing Shares (as defined in the circular to shareholders accompanying this notice of general meeting (the **Circular**));
- (b) the allotment of **equity securities** (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £657,237.94 (approximately two thirds of the Enlarged Share Capital (as defined in the Circular)) (such amount to be reduced by the nominal amount of any relevant securities allotted pursuant to the authority in sub-paragraph (c) below) in connection with an offer of, or an invitation to apply for, equity securities:
 - (i) to holders of ordinary shares, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to their respective holdings of such shares; and
 - (ii) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical issues arising under the laws or requirements of any overseas territory, or by virtue of shares being represented by depository receipts, or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

- (c) the allotment, otherwise than pursuant to sub-paragraphs (a) and (b) above, of relevant securities up to an aggregate nominal amount of £328,618.97 (approximately one third of the Enlarged Share Capital) (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in sub-paragraph (b) above) in excess of £328,618.97 (approximately one third of the Enlarged Share Capital),

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and

1.2 in substitution for any existing power under sections 570 and 573 of the Act, the Directors be and are hereby empowered in accordance with those sections to allot equity securities for cash, as if section 561(1) of the Act did not apply to such allotment of equity securities, provided that this power shall be limited to:

- (a) the allotment of equity securities pursuant to sub-paragraphs 1.1 (a) and (b) of this Resolution; and
- (b) the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal amount of £197,171.38 (approximately 20 per cent. of the Enlarged Share Capital),

provided that this power shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months from the date of the passing of this resolution or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution had expired.

By Order of the Board

Louise Park

Company Secretary

Registered office:

1st Floor, Fleet House
59-61 Clerkenwell Road
London
EC1M 5LA

14 April 2020

Notes

1. Shareholders entitled to attend and vote at the Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. If you wish your proxy to speak at the Meeting, you should appoint a proxy other than the chairman of the Meeting and give your instructions to that proxy.
2. A form of proxy is enclosed for use at the Meeting. Please read carefully the instructions on how to complete the form. To be valid it must be received by email in accordance with the instructions set out on the form, by post or (during normal business hours only) by hand to the Company's registrars Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, or scanned copies may be sent via email to the following address: voting@shareregistrars.uk.com with 'Bonhill Group PLC General Meeting Vote' in the subject line no later than 10.00 a.m. on 28 April 2020 (time and date falling 48 hours prior to the date of the Meeting, excluding non business days). Shareholders who intend to appoint more than one proxy can obtain additional Forms of Proxy from Share Registrars Limited. Alternatively the form may be photocopied prior to completion. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointment being made.
3. Completion of the appropriate Form of Proxy does not prevent a shareholder from attending the Meeting and voting in person if he/she is entitled to do so and so wishes. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.
4. To be entitled to attend and vote at the Meeting or any adjournment (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at 10.00 a.m. on 28 April 2020 (time and date falling 48 hours before the date of the Meeting, excluding non business days) or, if the Meeting is adjourned,

at 10.00 a.m. on the day two days prior to the adjourned meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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 service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) 48 hours (excluding non-working days) before the time appointed for holding the Meeting or adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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.
9. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, tel. +44 (0) 1252 821390. 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.
11. 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 Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. The revocation notice must be received by Share Registrars Limited by close of business on the day two business days before the Meeting or, if the Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting. In the case of a shareholder which is a corporation, the revocation notice must be executed under its common seal or signed on its behalf by an officer or an attorney of the corporation or other person authorised to sign it. 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.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

