

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE TRADING OF ORDINARY SHARES ON AIM. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek advice from your solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, by another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all your Ordinary Shares in the Company please immediately forward this Circular together with the enclosed Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws and restrictions of such jurisdiction. Persons into whose possession this Circular and any accompanying documents should come, should inform themselves about and observe any such laws and restrictions. If you have sold only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, such restrictions. This document has been prepared for the purposes of complying with English law and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of the United Kingdom. This document is not a prospectus and does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction.

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# Zytronic plc

*(Incorporated and registered in England and Wales with Registered Number 03881244)*

## **Proposed cancellation of admission of Ordinary Shares to trading on AIM and Notice of General Meeting**

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The Company and each of the Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

This Circular should be read in its entirety. Your attention is drawn to the letter from the Chairman of the Company set out in Part I of this Circular which explains the background to and reasons for the Cancellation and includes a recommendation of the Directors that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

The Cancellation as described in this Circular is conditional on the approval of Shareholders at the General Meeting.

**A notice to convene the General Meeting of Zytronic plc, to be held at Ward Hadaway LLP, Sandgate House, 102 Quayside, Newcastle Upon Tyne NE1 3DX at 3.00p.m. on 7 May 2025, is set out in Part III of this Circular.** The action to be taken by Shareholders is set out on page 12 of this document.

The Form of Proxy should be completed, signed and returned to the Registrars, Computershare Investor Services Plc of The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 48 hours (excluding non-business days) before the General Meeting or, if the General Meeting is adjourned, no later than 48 hours before the time for holding the adjourned meeting. If you hold your existing Ordinary Shares in uncertificated form (that is, in CREST), you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent (CREST ID: 3RA50) by no later than 3.00p.m. on 2 May 2025 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

Copies of this document are available, free of charge, at the office of Zytronic plc, Whiteley Road, Blaydon on Tyne, Tyne & Wear NE21 5NJ and on the Company's website <https://www.zytronic.co.uk/plc>

Singer Capital Markets Advisory LLP, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting as nominated adviser and broker to the Company and for no one else in connection with the Cancellation and accordingly will not be responsible to any person other than the Company for providing the protections afforded to customers of Singer Capital Markets or for providing advice in relation to such matters. Singer Capital Markets' responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any director of the Company (existing or proposed) or to any other person. No representation or warranty, express or implied, is made or deemed to be made by Singer Capital Markets or any of its directors as to any of the contents of this document and Singer Capital Markets has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Singer Capital Markets for the accuracy of any information or opinions contained in this document or for the omission of any information.

### **Forward-looking statements**

This document contains a number of forward-looking statements relating to the Company. The Company considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risks and uncertainties that could cause the actual results and the financial position of the Company to differ materially from the information as presented in the relevant forward-looking statement. When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should", and similar expressions, as they relate to the Company or the management of it, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. The Company does not undertake any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the AIM Rules and other regulations.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS<sup>(1)(2)</sup>

Last day for trading of Ordinary Shares on AIM	31 March 2025
Ordinary Shares suspended from trading on AIM	7.30 a.m. on 1 April 2025
Announcement of proposed Cancellation pursuant to AIM Rule 41	11 April 2025
Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	11 April 2025
Publication and posting of this document (including Notice of General Meeting) to Shareholders	11 April 2025
Latest time and date for receipt of appointments in respect of the General Meeting	3.00 p.m. on 2 May 2025
General Meeting	3.00 p.m. on 7 May 2025
Anticipated date to announce results of the General Meeting	7 May 2025
Expected date of Cancellation <sup>(3)</sup>	8.00a.m. on 15 May 2025
Secondary Market Trading Facility for Ordinary Shares commences	15 May 2025

### Notes:

- (1) All of the times referred to in this Circular refer to London time, unless otherwise stated.
- (2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service and/or the Company's website.
- (3) The Cancellation requires the approval of not less than 75% of the votes cast by Shareholders at the General Meeting.

## DIRECTORS AND ADVISERS

<b>Directors:</b>	Dr Christopher Potts ( <i>Non-executive Chairman</i> ) Claire Smith ( <i>Chief Executive Officer</i> ) Mark Butcher ( <i>Non-executive Director</i> ) Dr Glen Arnold ( <i>Non-executive Director</i> )
<b>Company Secretary</b>	Claire Smith
<b>Registered Office</b>	Whiteley Road, Blaydon on Tyne, Tyne & Wear NE21 5NJ
<b>Nominated Adviser to the Company</b>	Singer Capital Markets Advisory LLP One Bartholemew Lane London EC2N 2AX
<b>Broker to the Company</b>	Singer Capital Markets Securities Limited One Bartholemew Lane London EC2N 2AX
<b>Legal Adviser to the Company</b>	Ward Hadaway LLP Sandgate House 102 Quayside Newcastle Upon Tyne NE1 3DX
<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

## DEFINITIONS

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

<b>“AIM”</b>	AIM, the market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time
<b>“Asset Match”</b>	Asset Match Limited (company registration number: 07681197) whose registered office is at New Broad Street House, 35 New Broad Street, London EC2M 1NH
<b>“Business Day”</b>	a day (excluding Saturday, Sunday and public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal banking business
<b>“Cancellation”</b>	subject to passing of the Resolution the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules
<b>“Circular”</b>	this document, containing information about the Cancellation and the General Meeting
<b>“Company” or “Zytronic”</b>	Zytronic plc, a company incorporated in England and Wales with Registered Number 03881244
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (S.I. 2001 No 3755) (as amended), and any applicable rules made thereunder
<b>“Directors” or “Board”</b>	the directors of the Company, whose names are set out on page 4 of this document
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of FSMA
<b>“FRP Advisory”</b>	FRP Advisory Trading Limited
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST
<b>“Form of Proxy”</b>	the form of proxy accompanying this Circular for use by Shareholders relating to the General Meeting
<b>“General Meeting”</b>	the General Meeting of the Company convened for 3.00p.m. on 7 May 2025 and any adjournment thereof, notice of which is set out in Part III of this Circular
<b>“Group”</b>	the Company and its wholly-owned trading subsidiary Zytronic Displays Limited (registered number: 00379908)
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Notice of General Meeting” or “Notice”</b>	the notice of General Meeting which is set out in Part III of this Circular
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company and <b>“Ordinary Share”</b> means any one of them
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Registrars”</b>	Computershare Investor Services Plc of The Pavilions, Bridgewater Road, Bristol, BS13 8AE
<b>“Regulatory Information Service”</b>	has the meaning given to it in the AIM Rules

<b>“Resolution”</b>	the resolution relating to the Cancellation to be proposed at the General Meeting in the form set out in the Notice
<b>“Secondary Market Trading Facility”</b>	the unregulated electronic trading platform operated by Asset Match to be put in place by the Company subject to the passing of the Resolution
<b>“Shareholders”</b>	holders of Ordinary Shares from time to time and <b>“Shareholder”</b> means any one of them
<b>“Singer Capital Markets”</b>	Singer Capital Markets Advisory LLP of One Bartholomew Lane, London, EC2N 2AX
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers
<b>“UK MAR”</b>	Regulation (EU) (No 596/2014) of the European Parliament and of the Council of 16 April 2014 on market abuse to the extent that it forms part of the domestic law of the United Kingdom including by virtue of the European Union (Withdrawal) Act 2018 (as amended by virtue of the European Union (Withdrawal Agreement) Act 2020)
<b>“UK MTF”</b>	a UK multilateral trading facility
<b>“United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland

A reference to “£” is to pounds sterling, being the lawful currency of the UK.

## PART I

### LETTER FROM THE CHAIRMAN OF ZYTRONIC PLC

*(Incorporated in England and Wales with Registered Number 03881244)*

*Directors:*

Dr Christopher Potts (Non-executive Chairman)  
Claire Smith (Chief Executive Officer)  
Mark Butcher (Non-executive Director)  
Dr Glen Arnold (Non-executive Director)

*Registered Office:*

Whiteley Road  
Blaydon on Tyne  
Tyne & Wear  
NE21 5NJ

11 April 2025

Dear Shareholder,

**Proposed cancellation of admission of Ordinary Shares to trading on AIM  
and  
Notice of General Meeting**

#### 1. INTRODUCTION

As announced by the Company on 26 February 2025, the Directors have concluded that it is in the best interests of the Company and its Shareholders to cancel the admission to trading of the Ordinary Shares on AIM.

The Resolution is being put to Shareholders in order to continue the orderly wind-down of the Company, in line with the strategy communicated to Shareholders following the conclusion of the strategic review announced on 14 November 2024.

This Circular explains the background to and reasons for the Cancellation and includes the notice of General Meeting at which the Resolution will be proposed.

Under the AIM Rules, the Cancellation requires the expiration of a period of not less than 20 clear Business Days from the date on which notice of the intended Cancellation is notified via a Regulatory Information Service and is given to the London Stock Exchange. Pursuant to Rule 41 of the AIM Rules, the Directors have notified the London Stock Exchange of the date of the proposed Cancellation. Subject to the passing of the Resolution, Cancellation will occur no earlier than five clear Business Days after the General Meeting. Due to the Company missing its six month filing deadline for its annual report & accounts to 30 September 2024, the last day of trading in Ordinary Shares was on 31 March 2025 and the Ordinary Shares were suspended from trading on AIM with effect from 7.30 a.m. on 1 April 2025. If the Resolution is passed it is expected that Cancellation will take effect at 8.00 a.m. on 15 May 2025.

The Cancellation is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting, notice of which is set out in Part III of this Circular.

The Company is therefore seeking Shareholders' approval of the Cancellation at the General Meeting which has been convened for 3.00p.m. on 7 May 2025 at Ward Hadaway LLP, Sandgate House, 102 Quayside, Newcastle Upon Tyne NE1 3DX.

Mr and Mrs Gavin Smith, as holders of 4.37 per cent. of the Company's issued share capital, are entitled to vote on the Resolution and the Company has received an irrevocable undertaking signed on behalf of Mr and Mrs Gavin Smith to vote those shares in favour of the Resolution. In addition, Henry Spain Investment Services Limited and Mr John Walter hold respectively 18.93 per cent. and 5.04 per cent. of the Company's issued share capital and are entitled to vote on the Resolution and the Company has received letters of intent signed on behalf of Henry Spain Investment Services Limited and Mr John Walter to vote these shares in favour of the Resolution. In addition, those Directors who own Ordinary Shares, representing in aggregate 0.87 per cent of the Company's issued share capital, have signed irrevocable undertakings to vote these shares in favour of the Resolution.

In total, therefore, the Company has received support to vote in favour of the Resolution at the General Meeting with respect to 2,968,377 Ordinary Shares (representing in aggregate 29.21 per cent of the Company's issued share capital).

The Directors have been keen to ensure that, for those Shareholders who choose to do so, there is an opportunity to trade out their shareholding following, and notwithstanding, the Cancellation. The Company has arranged for Asset Match to provide a Secondary Market Trading Facility to facilitate the buying and selling of Ordinary Shares by Shareholders and new investors by matching buyers and sellers through periodic auctions. Further information regarding the Secondary Market Trading Facility is contained below.

**The purpose of this Circular is to provide you with the information on the background to and reasons for the Cancellation, explain the consequences of the Cancellation and why the Directors unanimously consider the Cancellation to be in the best interests of the Company and its shareholders as a whole and seek Shareholders' approval for the Resolution.**

The Notice of the General Meeting is set out in Part III of this Circular.

## **2. BACKGROUND TO THE PROPOSED CANCELLATION**

On 16 October 2024, the Company announced a strategic review alongside its pre-close trading update whereby the Board set out its opinion that it was unlikely that a significant improvement in trading would be forthcoming without a strategic catalyst ("**Strategic Review**"). Therefore, the Board would undertake a strategic review, in conjunction with Shareholders, to assess the future options for the Company.

On 14 November 2024, Zytronic announced the conclusion of its Strategic Review. After consulting with Shareholders and considering ongoing weak trading conditions with no material uplift in order intake, the Board resolved to pursue a sale and/or wind-down of the Group's assets with the intention of returning capital to Shareholders via a solvent liquidation.

On 19 February 2025 the Company confirmed that the sale process for its trading subsidiary, Zytronic Displays Limited, had concluded without reaching terms deemed by the Board to be suitably attractive for Shareholders, despite engagement with multiple counterparties. As a result, the Board, in consultation with FRP Advisory confirmed it would commence the orderly wind-down of the Group's assets.

On 26 February 2025, following the unsuccessful sale process of its trading subsidiary Zytronic Displays Limited, the Board, in consultation with FRP Advisory, commenced an orderly wind-down of the Group's assets and FRP Advisory prepared an outcome statement of estimated returns available to Shareholders in this regard. The Board advised that Shareholders can expect to receive an estimated return of 46 pence per Ordinary Share held in the Company in a conservative scenario, increasing to 60 pence per Ordinary Share (the "**Outcome Range**"), should prevailing asset valuations hold through the wind-down period. The Outcome Range is a highly conditional estimate and based upon and subject to, inter alia, the following major assumptions:

- that the Company's real estate property sells for a value within +/-10% of the Company's advisor's valuation;
- that the wind-down of the Company and its trading subsidiary proceed in an orderly manner and principally complete within 9 months of 26 February 2025; and
- that there are no material unforeseen creditors.

The Outcome Range remains valid as at the date of this Circular.

To reduce costs and maximise returns to Shareholders, the Board announced on the same date its intention to cancel admission to trading in the Company's ordinary shares on AIM.

## **3. REASONS FOR CANCELLATION**

The primary reason the Board is proposing the Cancellation to Shareholders is to achieve maximum value for Shareholders in its pursuit of a wind-down of the Company's assets in order to achieve the maximum distribution within the Outcome Range. It is the Board's view that the Cancellation will provide cost savings (in contrast to remaining listed), greater strategic flexibility and will be able to make and implement decisions more quickly than a company which is publicly traded as a result of the more flexible regime which is applicable to an unquoted company.

In reaching its conclusion regarding the Company's admission to trading on AIM and that the Cancellation is in the best interests of the Company and its Shareholders as a whole, the Board has considered the following key factors amongst others:

- (a) **Costs and Regulatory Burden:** The considerable cost and management time and the legal and regulatory burden associated with maintaining the Company's admission to trading on AIM are, in the Board's opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM. Given the lower costs associated with unlisted company status, it is estimated that the Cancellation will



materially reduce the Company's recurring administrative and adviser costs, which the Board believes would be a significant reduction in overhead cost burden;

- (b) Lack of liquidity: There continues to be limited liquidity in the Ordinary Shares and, as a result, the Board believes that Shareholders are not provided with opportunities to trade in meaningful volumes or with frequency in an active market in the Ordinary Shares;
- (c) the Company's position as a micro-cap stock: Being a UK micro-cap stock comes with a range of challenges which, in the Board's view, stem from the Company's small market valuation, limited resources, and the dynamic nature of the market. These challenges include, but are not limited to: (a) access to capital; (b) a lack of visibility amongst analysts, media and potential investors; (c) increased volatility in company valuation unrelated to company performance leading to higher risk perception; and (d) an aversion from potential new investors seeking stability and a valuation that aligns with company performance. For these reasons, the Board believes that the Company is not benefitting from being a listed company, and it does not see such conditions changing;
- (d) Strategic flexibility: The Board believes that an unlisted company can take and implement decisions more quickly than a company which is publicly traded as a result of the more flexible regime that is applicable to a private company. Assuming the Resolution is passed the Company will, however, continue to pursue an orderly wind-down following Cancellation; and
- (e) Governance: Changes have recently been made to the composition of the Board in order to seek to reduce overall costs and changes to the composition of the board of Zytronic Displays Limited have similarly recently been made, with further changes expected to occur in order to further reduce costs. The Board recognises the desire of Shareholders for a return of their investment and in order to effectively manage this process, appropriate governance arrangements are required. The Board intends to adopt appropriate corporate governance procedures for a public non-traded company and intends to hold an annual general meeting for Shareholders prior to the proposed wind-down.

Therefore, following careful consideration, the Board believes that it is in the best interests of the Company and its stakeholders to seek the proposed Cancellation at the earliest opportunity in line with AIM Rule 41.

#### **4. PROCESS FOR, AND PRINCIPAL EFFECTS OF, THE CANCELLATION**

Under the AIM Rules, it is a requirement that Cancellation must be approved by not less than 75 per cent. of votes cast by shareholders at a general meeting. Accordingly, the Notice of General Meeting set out in Part III of this Circular contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. Additionally, Cancellation will not take effect until at least five clear business days have passed following the passing of the Resolution. In accordance with AIM Rule 41, the Directors (through the Company's nominated adviser, Singer Capital Markets) have notified the London Stock Exchange of the Company's intention, subject to the Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM at 8.00a.m. on 15 May 2025.

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective.

The principal effects of the Cancellation will be that:

- (a) there will no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM (or any other recognised market or trading exchange);
- (b) the Ordinary Shares are likely to be more difficult to sell compared to shares of companies traded on AIM, notwithstanding the fact that trading in the Ordinary Shares was suspended with effect from 7.30 a.m. on 1 April 2025. It is possible that, following the publication of this Circular, the liquidity and marketability of the Ordinary Shares is reduced and their value adversely affected. However, as set out above, the Directors believe that the existing liquidity in the Ordinary Shares is in any event limited. In addition the Company intends to introduce a Secondary Market Trading Facility for the Shares, to help facilitate purchases or sales of shares, further details of which appear below under "Dealing and Settlement Arrangements following Cancellation";
- (c) it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;

- (d) the Company will no longer be subject to the AIM Rules and, accordingly, Shareholders will no longer be afforded the protections given by the AIM Rules. In particular, the Company will not be bound to:
  - make any public announcements of material events, or to announce interim or final results;
  - comply with any of the corporate governance practices applicable to AIM companies;
  - announce substantial transactions and related party transactions; or
  - comply with the requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business;
- (e) the Company will no longer be subject to UK MAR regulating inside information and other matters;
- (f) the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- (g) the Company will cease to retain a nominated adviser and broker;
- (h) notwithstanding that the Ordinary Shares are currently suspended, whilst the Company's CREST facility will remain in place immediately following the Cancellation the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- (i) stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and
- (j) the Cancellation may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

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

The Company currently intends that it will continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company following the proposed Cancellation. It is intended that the Company will continue to:

- (a) communicate information about the Company (including annual accounts) to its Shareholders, as required by law; and
- (b) maintain its website and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under AIM Rule 26 or to update the website as required by the AIM Rules.

For the avoidance of doubt, the Company will remain registered with the Registrar of Companies in England & Wales in accordance with and subject to the Companies Act 2006, notwithstanding Cancellation.

## **5. TRANSACTIONS IN ORDINARY SHARES PRIOR TO AND FOLLOWING CANCELLATION**

### **Prior to Cancellation**

The Company's Shares were suspended with effect from 7.30 a.m. on 1 April 2025 pending publication of the Company's full year Annual Report and Accounts for the year ended 30 September 2024 ("FY24 AR&A"). Shareholders have therefore been unable to continue trading in the Ordinary Shares on AIM following such date.

As announced by the Company on 28 March 2025, the Board does not anticipate that publication of the FY24 AR&A will occur prior to the Cancellation date. Therefore, if the Resolution is passed, the final date of trading on AIM in the Ordinary Shares will have been 31 March 2025.

### **Should Cancellation not Occur**

Should the Resolution not be passed and Cancellation be unsuccessful, admission of the Company's Ordinary Shares to trading on AIM will be maintained, noting that trading on AIM in the Ordinary Shares was suspended with effect from 7.30a.m. on 1 April 2025, pending publication of the Company's FY24 AR&A. The Board does not have an estimate of when the FY24 AR&A will be published.

### **Dealing and settlement arrangements following Cancellation**

The Board is aware that the proposed Cancellation, should it be approved by Shareholders at the General Meeting, would make it difficult for Shareholders to buy and sell Shares should they wish to do so. Accordingly, the Company intends to introduce a Secondary Market Trading Facility for the Ordinary Shares, to help facilitate

purchases or sales of Ordinary Shares should Cancellation occur. This flexibility is so that Shareholders have the option to sell their Ordinary Shares should they wish to do so but do not need to make that decision immediately.

The Secondary Market Trading Facility will be provided by Asset Match, which is authorised and regulated by the Financial Conduct Authority (FRN 579310). Further details of the Secondary Market Trading Facility can be found at [www.assetmatch.com](http://www.assetmatch.com). This facility will allow existing Shareholders and new investors to trade Ordinary Shares by matching buyers and sellers through periodic auctions. Investors are encouraged to register on [www.assetmatch.com](http://www.assetmatch.com) and add Zytronic to their 'Watchlist' to continue to receive Company updates and auction/price information.

Shareholders wishing to trade these securities can do so through their stockbroker. The Asset Match trading facility operates under its own code of practice which governs the behaviour of participants and the running of the periodic auctions. Asset Match operates an open auction system where volumes of bids and offers at different prices are displayed in an order book on its website together with the closing date of the auction. At the end of each auction period, Asset Match passes this information through a non-discretionary algorithm that determines a "market-derived" share price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the closing date of each auction.

Shareholders will continue to be able to hold their Shares in uncertificated form (in CREST) and should check with their existing stockbroker whether they are willing or able to trade in unquoted shares. Shareholders wishing to trade shares through Asset Match must do so through a stockbroker. A comprehensive list of stockbrokers who have signed up to access the Asset Match platform is available on request from Asset Match.

Full details will be made available to Shareholders on the Company's website at [www.zytronic.co.uk](http://www.zytronic.co.uk) and directly by letter or e-mail (where appropriate). Shareholders may contact Asset Match in relation to any queries regarding trading via the secondary market trading facility by emailing [dealing@assetmatch.com](mailto:dealing@assetmatch.com).

The Secondary Market Trading Facility is expected to be available for a period of at least one year after Cancellation. The Directors' current intention is that it will continue beyond that time but Shareholders should note that it could be withdrawn and therefore inhibit the ability to trade the Shares. Further details will be communicated to the Shareholders at the relevant time.

Shareholders are invited to retain their Ordinary Shares in the Company, but are welcome to participate in the monthly auctions under the Secondary Market Trading Facility operated by Asset Match, which will allow Shareholders to sell down their holdings should they wish to do so.

The Company expects the Secondary Market Trading Facility to be available for Shareholders who wish to sell their Shares to make that instruction from 15 May 2025, with the first auction closing on 17 June 2025 followed by monthly auctions thereafter.

## **6. TAKEOVER CODE**

The Takeover Code (the "Code") applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man. The Code therefore applies to the Company as its securities are admitted to trading on AIM, which is a UK MTF.

The Code also applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its securities were admitted to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man at any time during the preceding two years.

Accordingly, if the Cancellation is approved by Shareholders at the General Meeting and becomes effective, the Code will continue to apply to the Company for a period of two years after the Cancellation, following which the Code will cease to apply to the Company.

While the Code continues to apply to the Company, a mandatory cash offer will be required to be made if either:

- (a) any person acquires an interest in shares which (taken together with the shares in which the person or any person acting in concert with that person is interested) carry 30% or more of the voting rights of the company; or
- (b) any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with that person,

acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which that person is interested.

Brief details of the Takeover Panel, and of the protections afforded by the Code, are set out in Part II of this document.

Before voting on the Cancellation, you may want to take independent professional advice from an appropriate independent financial adviser.

### **The Code**

The Code is issued and administered by the Panel. The Code currently applies to the Company and, accordingly, Shareholders are entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders in an offeree company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders in the offeree company of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The Code is based upon a number of General Principles, which are essentially statements of standards of commercial behaviour. The General Principles apply to takeovers and other matters to which the Code applies. They are applied by the Panel in accordance with their spirit in order to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of rules. Like the General Principles, the rules are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a rule in certain circumstances.

A summary of key points regarding the application of the Code to takeovers is set out in Part II.

## **7. GENERAL MEETING**

The General Meeting will be held at Ward Hadaway LLP, Sandgate House, 102 Quayside, Newcastle Upon Tyne NE1 3DX commencing at 3.00p.m. on 7 May 2025 to propose the Resolution.

## **8. ACTION TO BE TAKEN**

Hard copy proxy forms are being sent to Shareholders in connection with the General Meeting although the Company would like to encourage Shareholders to vote electronically or appoint a proxy electronically, which can be done via [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) or, where Ordinary Shares are held in CREST, via CREST. Notwithstanding the method of appointment, proxy appointments must be received by 3.00p.m. on 2 May 2025, being 48 hours (excluding non-working days) before the time fixed for the General Meeting. Further details of the proxy appointment methods are set out in the Notice of General Meeting. The appointment of a proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Shareholders are encouraged to appoint the chair of the General Meeting as their proxy with directions as to how to cast their vote on the Resolution. For further details on how to submit a proxy vote, see the notes to the Notice of General Meeting at Part III of this Circular.

The appointment of a proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

## **9. IMPORTANCE OF VOTE**

If a sufficient percentage of Shareholders vote against the Resolution, such that the resolution is not passed, then the Company would remain listed and continue to incur relevant costs, further depleting its available cash resources. Even if a sufficient percentage of Shareholders vote against the Resolution, such that the Resolution is not passed at the General Meeting and the Company remains listed, due to the orderly wind-down being implemented, cessation of trading will occur meaning that the Company's listed status will in any event no longer continue upon cessation of trading.

## **10. RECOMMENDATION**

For the reasons noted above, the Directors consider that the Resolution to be put to the meeting is in the best interests of the Company and its stakeholders as a whole and therefore unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as those Directors who hold Ordinary Shares intend to do in respect of their own aggregate holdings of 88,278 Ordinary Shares, representing approximately 0.87 per cent. of the Company's issued share capital as of the date of this Circular.

Yours faithfully,

**Dr. Christopher Potts**

*Non-executive Chairman*

*Zytronic plc*

## **PART II**

### **THE TAKEOVER CODE**

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies.

#### **EQUALITY OF TREATMENT**

General Principle 1 of the Code states that all holders of the securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the offeree company if there are favourable conditions attached which are not being extended to all shareholders.

#### **INFORMATION TO SHAREHOLDERS**

General Principle 2 requires that the holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the takeover bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

#### **THE OPINION OF THE OFFEREE BOARD AND INDEPENDENT ADVICE**

The board of the offeree company is required by Rule 3.1 to obtain competent independent advice as to whether the financial terms of any offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires the board of the offeree company to send to shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The document sent to shareholders must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except in certain circumstances, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

#### **OPTION HOLDERS AND HOLDERS OF CONVERTIBLE SECURITIES OR SUBSCRIPTION RIGHTS**

Rule 15 provides that when an offer is made and the offeree company has convertible securities, options or subscription rights outstanding, the offeror must make an appropriate offer or proposal to the holders of those securities to ensure their interests are safeguarded.

**PART III**

**ZYTRONIC PLC**

(the “Company”)

*(Incorporated in England and Wales with Registered No. 03881244)*

**NOTICE OF GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of the Company (the “**Meeting**”) will be held at Ward Hadaway LLP, Sandgate House, 102 Quayside, Newcastle Upon Tyne NE1 3DX at 3.00p.m. on 7 May 2025 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

**SPECIAL RESOLUTION**

1. **THAT**, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission of the ordinary shares of £0.01 each in the capital of the Company to trading on AIM, the market operated by London Stock Exchange plc, be and is hereby approved and that the Directors of the Company be and are hereby authorised to take all actions reasonable or necessary to effect such cancellation.

Defined terms in the Resolution above have the same meaning as given in the Circular to Shareholders of which this notice forms part.

By order of the Board

11 April 2025

**Claire Smith**  
*Company Secretary*

**Registered office:**  
Whiteley Road  
Blaydon On Tyne  
Tyne & Wear  
NE21 5NJ



## **NOTES TO THE NOTICE OF GENERAL MEETING:**

### **Entitlement to attend and vote**

- (1) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at 6.00 p.m. on 2 May 2025 (or in the event that this meeting is adjourned, on the register of members at 6.00 p.m. two Business Days before the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

### **Appointment of proxies**

- (2) A shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company. 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.
- (3) The appointment of a proxy will not preclude a shareholder from attending in person at the meeting and voting if he or she wishes to do so. Unless otherwise indicated on the Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

### **Appointment of a proxy online**

- (4) As an alternative to completing hard copy form of proxy, shareholders can submit their vote electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) by completing the authentication requirements on the website no later than 3.00p.m. on 2 May 2025. Shareholders will need to use their Control Number, SRN and PIN, which is printed on the form of proxy, to validate the submission of their proxy online.

### **Appointment of proxy using a form of proxy**

- (5) To appoint a proxy using a hard copy form of proxy a member must complete, sign and date the proxy form and deposit it at the office of the Company's Registrars, Computershare Investor Services Plc of The Pavilions, Bridgewater Road, Bristol, BS99 6ZY not less than 48 hours, excluding non-working days, before the time fixed for the meeting. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.

### **Appointment of proxy through CREST**

- (6) CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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.
- (7) In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. 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 Company's agent (CREST ID: 3RA50) no later than 48 hours (excluding non-business days) before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). 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 Company'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.
- (8) 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 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(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (9) The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Changing proxy instructions**

- (10) To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

### **Termination of proxy appointments**

- (11) In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

### **Joint shareholders**

- (12) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.



**Corporate representatives**

- (13) A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting: (i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised.

**Issued shares and total voting rights**

- (14) As at the date of this notice of General Meeting, the Company's issued share capital comprised 10,161,737 ordinary shares of £0.01 each fully paid of which none are held in treasury. Each ordinary share other than those held in treasury carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice of General Meeting is 10,161,737.

**Communication**

- (15) You may not use any electronic address provided in this notice of General Meeting or in any related documents (including the accompanying proxy form) to communicate with the Company for any purposes other than those expressly stated.

