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## Publication of Circular

### ZYTRONIC PLC

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Zytronic PLC

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR

11 April 2025

### **Zytronic plc**

("Zytronic" or the "Company" and its subsidiaries)

### **Proposed cancellation of admission of Ordinary Shares to trading on AIM**

**and**

### **Notice of General Meeting**

Further to the announcement made by the Company on 7 April 2025, The Company announces the proposed cancellation of its ordinary shares of £0.01 each in the Company ("**Ordinary Shares**") to trading of the Ordinary Shares on AIM ("**Cancellation**").

The Board believes that the Cancellation is in the best interests of the Company and its shareholders as a whole. **Further details of the background to and reasons for the Proposals and other matters are set out in Appendix I to this announcement (the "Announcement"), which contains extracts from the circular to shareholders (the "Circular" or the "Document"). References to 'this Document' refer to the Circular.**

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 respectively hold 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 those 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).

### **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 proposed Cancellation date. Therefore, if the resolution necessary to effect the Cancellation 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.

The Circular will be published on the Company's website <https://www.zytronic.co.uk/plc/> and will be sent to shareholders today, setting out the background to and reasons for the Proposal. Extracts from the Circular are included in Appendix I of this Announcement and shareholders are recommended to read this Document as a whole. The Company is seeking shareholder approval for the Cancellation, at a meeting to be convened at 3:00 p.m. on 7 May 2025 to be

held at Ward Hadaway LLP, Sandgate House, 102 Quayside, Newcastle Upon Tyne NE1 3DX (the "**General Meeting**").

The Cancellation resolution is conditional, pursuant to Rule 41 of the AIM Rules for Companies, upon the approval of shareholders holding 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 the Circular.

If the Cancellation resolution is passed at the General Meeting, it is anticipated that Cancellation will become effective at 8:00 a.m. on 15 May 2025.

To facilitate future shareholder transactions in the Ordinary Shares, conditional upon the Cancellation resolution being passed, Asset Match Limited has been appointed to provide a Secondary Market Trading facility, which is expected to be available from 15 May 2025, with the first auction closing on 17 June 2025 followed by monthly auctions thereafter. Asset Match, a firm Authorised and Regulated by the Financial Conduct Authority (FRN 579310), will operate an electronic off-market dealing facility in the Ordinary Shares. This facility will allow existing shareholders of the Company and new investors to trade the Ordinary Shares by matching buyers and sellers through periodic auctions.

A copy of the Circular will be made available later today on the Company's website at <https://www.zytronic.co.uk/plc/>.

#### **Expected Timetable of Principal Events**

Last day for trading of Ordinary Shares on AIM	31 March 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

## 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.

**The above summary should be read in conjunction with the full text of this Announcement and the Circular, extracts from which are set out in Appendix I below. Please refer to Appendix I to this Announcement which sets out further details of the Proposals, as extracted from the Circular. Unless otherwise stated, capitalised terms in this Announcement have the meanings ascribed to them in Appendix II to this Announcement and in the Circular.**

**For further information please contact:**

### **Enquiries:**

#### **Zytronic plc**

**0191 414 5511**

Christopher Potts, Non-Executive Chairman

Claire Smith, Chief Executive Officer

#### **Asset Match Limited**

**020 7248 2788**

Hannah Woodley, Commercial Director

Ben Weaver, Business Development Director

#### **Singer Capital Markets (Nominated Adviser and Broker)**

**020 7496 3000**

Alex Bond, Samed Ethem (Investment Banking)

## **Notes to Editors**

The Company's trading entity Zytronic Displays Limited ("**ZDL**") is an established developer and manufacturer of a range of internationally award-winning optically transparent interactive touch sensor overlay products for use with electronic displays in industrial, self-service and public access equipment.

ZDL has continually developed process and technological know-how and intellectual property since the late 1990's around two projected capacitance ("**PCAP**") sensing methodologies; trademarked by it as PCT™ ("Projected Capacitive Technology") and MPCT™ ("Mutual Projected Capacitive Technology"), in respect of which 20 internationally granted patents are held. As part of this the Company has invested in and developed an advanced electronic PCAP controller, the ZXY500, which incorporates a specialist Application Specific Integrated Circuit ("ASIC") specified and owned by Zytronic, and bespoke firmware on the controller processor.

ZDL's PCAP sensing solutions are readily configurable and embedded in a laminate core which offers significant durability, environmental stability, and optical enhancement benefits to meet system-specific design requirements.

The Company is headquartered at Blaydon-upon-Tyne in the United Kingdom. ZDL operates from this site, providing its manufactured products globally through a number of sales channel partners. ZDL differentiates itself from others in the touch eco-system as it offers a complete one-stop solution including processing internally of the form and factor of glass and film substrates, the assembly of the associated touch overlay products, in environmentally controlled cleanrooms to customer's specific requirements and the development of the bespoke firmware, software and electronic hardware which comprise the controller that links the manufactured touch interactive overlays to a customer's integrated systems and product.

For more information about ZDL's technologies and products, and the Company please see [www.zytronic.co.uk](http://www.zytronic.co.uk)

## **APPENDIX I**

### **Proposals for:**

#### **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 those 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: 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 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.

#### **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*

## Appendix II

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

"AIM"	AIM, the market operated by the London Stock Exchange
"AIM Rules"	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
"Asset Match"	Asset Match Limited (company registration number: 07681197) whose registered office is at New Broad Street House, 35 New Broad Street, London EC2M 1NH
"Business Day"	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
"Cancellation"	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
"Circular"	this document, containing information about the Cancellation and the General Meeting
"Company" or "Zytronic"	Zytronic plc, a company incorporated in England and Wales with Registered Number 03881244
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001 No 3755) (as amended), and any applicable rules made thereunder
"Directors" or "Board"	the directors of the Company, whose names are set out on page 4 of this document
"Disclosure Guidance and	the disclosure rules and transparency rules made by the UK <b>Transparency Rules</b> Financial Conduct Authority pursuant to section 73A of FSMA
"FRP Advisory"	FRP Advisory Trading Limited
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"Form of Proxy"	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</b>	the notice of General Meeting which is set out in Part III of this <b>"Notice"</b> 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>"Resolutions"</b>	the resolutions 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 Resolutions
<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



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