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If you sell or transfer or have sold or transferred all of your Ordinary Shares, please forward this Document as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

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MORSES CLUB PLC

Incorporated in England and Wales with registered number 06793980

Proposed Cancellation of admission of Ordinary Shares to trading on AIM Re-Registration as a Private Limited Company Adoption of New Articles of Association and Notice of General Meeting

The Directors, whose names appear in Part I of this Document, accept responsibility, collectively and individually, for the information contained in this Document. To the best of the knowledge and belief of each of the Directors (who have all taken reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Document should be read in its entirety. Your attention is drawn to the letter from the Interim Chair of the Company set out in Part I of this Document which includes a recommendation of the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

A notice to convene a General Meeting of the Company, to be held at the offices of Eversheds Sutherland at Bridgewater Place, Water Lane, Leeds LS11 5DR at 10.30 a.m. on 3 February 2023 is set out in Part III of this Document.

You will not receive a hard copy form of proxy. Instead, you will be able to vote electronically using the link www.signalshares.com. You will need to log into your signal shares account or register if you have not previously done so. In order to register, you will need your investor code, which is shown on your share certificate or available from our registrar, Link Group. Proxy votes must be received no later than 10.30 a.m. on 1 February 2023.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may use this service and should follow the relevant instructions set out in the notes in Part III of this document. Voting electronically will not preclude Shareholders from attending and voting at the General Meeting should they so wish (note the comments set out in the Notice of General Meeting at the end of this Document regarding attendance at the General Meeting).

Copies of this Document will be available on the Company's website www.morsesclubplc.com/investors/key-corporate-documents.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date⁽¹⁾⁽²⁾
Announcement of the proposed Cancellation, Re-registration and adoption of New Articles	12 January 2023
Publication and posting of this Document	12 January 2023
Latest time for receipt of proxy votes in respect of the General Meeting	10.30 a.m. 1 February 2023
General Meeting	10.30 a.m. 3 February 2023
Announcement of the results of the General Meeting	3 February 2023
Last day of dealings in Ordinary Shares on AIM	10 February 2023
Cancellation	13 February 2023
Re-registration as a private company	Week commencing 20 February 2023

Notes:

- (1) All of the times referred to in this Document 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.
- (3) All events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.

DIRECTORS AND ADVISERS

Directors	Steve Curtis Gary Marshall Graeme Campbell Sheryl Lawrence Peter Ward Terry Baxter	<i>Interim Chair</i> <i>Chief Executive Officer</i> <i>Chief Financial Officer</i> <i>Deputy Chair</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	David Belmont	
Registered office	Building 1 The Phoenix Centre 1 Colliers Way Nottingham NG8 6AT	
Financial Adviser	Blackdown Partners Limited 52 Grosvenor Gardens London SW1 0AU	
Nominated Adviser, Financial adviser and Broker	Peel Hunt LLP 7th Floor 100 Liverpool Street London England EC2M 2AT	
Legal advisers to the Company	Eversheds Sutherland (International) LLP Two New Bailey 6 Stanley Street Manchester M3 5GX	
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds England LS1 4DL	

DEFINITIONS

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

“13 December RNS”	the public announcement of the Company made on 13 December 2022;
“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;
“Business Day”	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks are generally open for the transaction on normal banking business in London;
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM in accordance with Rule 41 of the AIM Rules, subject to passing of the Cancellation Resolution;
“Cancellation Resolution”	Resolution 1 to be proposed at the General Meeting;
“Company” or “Morses Club PLC”	Morses Club PLC, a company incorporated in England and Wales with registered number 06793980 and having its registered office at Building 1, The Phoenix Centre, 1 Colliers Way, Nottingham NG8 6AT;
“Companies Act”	the Companies Act 2006 (as amended from time to time);
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as also defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755), (as amended from time to time);
“Current Articles”	the articles of association of the Company at the date of this Document;
“Directors” or “Board”	the directors of the Company, whose names are set out in Part I of this Document;
“Disclosure Guidance and Transparency Rules”	the disclosure rules and transparency rules made by the UK Financial Conduct Authority pursuant to section 73A of FSMA;
“Document”	this document containing information regarding the Cancellation, the Re-registration, the adoption of the New Articles and the General Meeting;
“Fundraise”	the proposed fundraise to fund the Scheme as detailed in the 13 December RNS;
“General Meeting”	the general meeting of the Company convened for 10.30 a.m. on 3 February 2023 and any adjournment thereof, notice of which is set out in Part III of this Document;
“Group”	Morses Club PLC and its subsidiary undertakings (as such term is defined in section 1162 of the Companies Act) from time to time;

“London Stock Exchange”	London Stock Exchange plc;
“New Articles”	the new articles of association of the Company proposed to be adopted pursuant to Resolution 2 to be proposed at the General Meeting with the principal differences between the Current Articles and the proposed New Articles summarised in Part II of this Document, a copy of which can be viewed at www.morsesclubplc.com/investors/key-corporate-documents ;
“Notice of General Meeting” or “Notice”	the notice of the General Meeting which is set out in Part III of this Document;
“Ordinary Shares”	the ordinary shares in the capital of the Company of £0.01 each and “Ordinary Share” means any one of them;
“Panel”	the Panel on Takeovers and Mergers;
“Peel Hunt”	Peel Hunt LLP, whose registered office is at 7th Floor 100 Liverpool Street, London, England, EC2M 2AT;
“Registrars”	Link Group whose registered office is at 10th Floor, Central Square, 29 Wellington Street, Leeds, England, LS1 4DL;
“Regulatory Information Service”	has the meaning given to it in the AIM Rules for any of the services approved by the London Stock Exchange for the distribution of AIM announcements and included within the list maintained on the website of the London Stock Exchange;
“Re-registration”	the proposed re-registration of the Company as a private limited company;
“Resolutions”	the resolutions to be proposed at the General Meeting in the form set out in Part III;
“Shareholders”	holders of Ordinary Shares from time to time and “Shareholder” means any one of them;
“Scheme”	the proposed scheme of arrangement of the Company under Part 26 and Part 26A of the Companies Act as detailed in the 13 December RNS;
“Takeover Code”	the City Code on Takeovers and Mergers;
“UK MAR”	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);
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland.

PART I

LETTER FROM THE INTERIM CHAIR OF

MORSES CLUB PLC

(Incorporated in England and Wales with Registered No 06793980)

Directors

Steve Curtis (*Interim Chair*)
Gary Marshall (*Chief Executive Officer*)
Graeme Campbell (*Chief Financial Officer*)
Sheryl Lawrence (*Deputy Chair*)
Peter Ward (*Non-Executive Director*)
Terry Baxter (*Non-Executive Director*)

Registered Office

Building 1
The Phoenix Centre
1 Colliers Way
Nottingham
NG8 6AT

12 January 2023

To the Shareholders of Moses Club PLC

**Proposed Cancellation of admission of Ordinary Shares to trading on AIM
Re-registration as a private limited company and associated adoption of New Articles
Notice of General Meeting**

1. Introduction

As announced today, the Directors have, after a period of review, concluded that it is in the best interests of the Company and its Shareholders to seek Shareholder approval for Cancellation of the admission of the Ordinary Shares to trading on AIM and, if the Cancellation is approved, for the Company to be re-registered as a private limited company and adopt the New Articles.

The Company is seeking Shareholders' approval for the Cancellation, Re-registration and adoption of the New Articles at the General Meeting, which has been convened for 10.30 a.m. on 3 February 2023 at the offices of Eversheds Sutherland at Bridgewater Place, Water Lane, Leeds LS11 5DR. If the Cancellation Resolution is passed at the General Meeting, it is anticipated that the Cancellation will become effective at 7.00 a.m. on 13 February 2023.

The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, 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 Part III of this Document. The Resolution to approve the Re-registration and the adoption of New Articles also requires 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.

The Company has received irrevocable undertakings to vote in favour of the Resolutions from all of the Directors who hold Ordinary Shares in respect of their entire beneficial holdings of Ordinary Shares amounting to, in aggregate, 790,000 Ordinary Shares and representing approximately 0.59 per cent. of the issued share capital of the Company.

The Company has also received irrevocable undertakings to vote in favour of the Resolutions from other shareholders in respect of 50,772,986 Ordinary Shares, representing approximately 37.77 per cent. of the issued share capital of the Company.

In addition, the Company has received letters of intent to vote in favour of the Resolutions from other Shareholders in respect of 17,121,293 Ordinary Shares, representing approximately 12.74 per cent. of the issued share capital of the Company.

In aggregate, the Company has therefore received irrevocable undertakings or letters of intent to vote, or procure that any other person votes, in favour of the Resolutions in respect of a total of 68,684,279 Ordinary Shares, representing approximately 51.09 per cent. of the issued share capital of the Company.

The purpose of this Document is to seek Shareholders' approval for the Resolutions, to provide information on the background to and reasons for the proposed Cancellation, the Re-registration and associated adoption of the New Articles, to explain the consequences of the Cancellation, the Re-registration and associated adoption of the New Articles and provide reasons why the Directors unanimously consider the Cancellation, the Re-registration and associated adoption of the New Articles to be in the best interests of the Company and its Shareholders as a whole.

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

2. Background to and reasons for the Cancellation and Re-registration

The Directors have undertaken a review to evaluate the benefits and drawbacks to the Company and its Shareholders of retaining the admission to trading of the Ordinary Shares on AIM. This review has included, amongst other matters, the significant and increasing costs of maintaining a public listing, the compatibility of the requirements for transparency within public markets and the public market share trading and valuation volatility of the Company. For these reasons, the Directors have concluded that the Cancellation and Re-registration are in the best interests of the Company and its Shareholders as a whole. Further details of the background to and reasons for the Cancellation and Re-registration are set out below.

- The Directors believe that a number of factors have impaired investor sentiment towards the Company, including, amongst others: (a) the on-going material uncertainty arising from the current complaints situation as detailed in the Company's annual report and accounts for the year ending 26 February 2022 and the 13 December RNS; (b) current market conditions; and (c) short term UK market volatility.
- There has been limited liquidity in the Ordinary Shares for some time and, as a result, the Directors believe that continued admission to trading on AIM no longer sufficiently provides the Company with the advantage of providing access to capital in the medium to longer-term, nor, in the opinion of the Directors, provides significant liquidity to investors. As a result, and with a current market capitalisation of approximately £1.5 million, the Directors have concluded that the most likely source of future funds will be through private capital.
- The significant cost, management time and legal and regulatory burden associated with maintaining the Company's admission to trading on AIM is, in the Directors' opinion, disproportionate to the benefits of the Company's continued admission to trading on AIM. As previously announced, if the Scheme is sanctioned, the Company will be required to contribute £5 million into the compensation fund which is required to fund the Scheme. In the absence of such contribution, the Company would need to commence insolvency proceedings. It is the Directors' view that the expected cost savings that would be achieved from the proposed Cancellation would form an important part of such contribution, and thereby protect against a future deterioration in the Company's financial position and the Company's risk of insolvency.
- The Company wishes to seek the Cancellation now so that there is clarity for Shareholders and potential investors as to the status of the Company prior to the Fundraise which is proposed to fund the Scheme. If such funding is not received and the Scheme does not proceed, then the Directors continue to believe that the Company could no longer continue as a going concern and it will need to commence insolvency proceedings.

As a result of the above factors, and following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation and Re-registration.

In addition, in connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

3. Process for, and principal effects of, the Cancellation

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. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

Under the AIM Rules, the Company is required to give at least 20 clear Business Days' notice of Cancellation. Additionally, Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 10 February 2023 and that the Cancellation will take effect at 7.00 a.m. on 13 February 2023. The principal effects of the Cancellation will include the following:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares;
- it is possible that, following the publication of this Document, the liquidity and marketability of the Ordinary Shares are 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);
- the Ordinary Shares may be more difficult to sell;
- in the absence of a formal market and quote, it may be difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- shareholders will lose certain protections to minority shareholders under the AIM rules, such as the independence of the Board and scrutiny of transactions with Related Parties, allowing larger shareholders to exercise more influence and control;
- the Company will no longer be required to seek shareholder approval, where applicable, for reverse takeovers and fundamental changes in the Company's business;
- the Company will not be bound to announce material developments as required by the AIM Rules, such as the interim results, final results, substantial transactions, related party transactions, and the information maintained on the Company's website under AIM Rule 26;
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- the Company currently follows the 2018 UK Corporate Governance Code. Following Cancellation it will no longer be required to follow a recognised corporate governance code;
- 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;
- Peel Hunt will cease to be Nominated Adviser to the Company;
- whilst the Company's CREST facility will remain in place immediately post 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);
- 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
- the Cancellation and Re-registration 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.

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

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company will:

- continue to maintain its website, www.morsesclubplc.com, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the Disclosure Guidance and Transparency Rules, Rule 26 of the AIM Rules or to update the website as required by the AIM Rules; and
- continue to communicate to Shareholders (via its website) information about the Company, including annual accounts (as required by the Companies Act) and half yearly trading updates, with accompanying presentations.

Following Cancellation, the Directors will be focussed on the long term recovery in the Company's business and anticipate this taking place over a 3-5 year time horizon post Cancellation. The Directors will at this stage consider the options for the Company, with such options expected to include a potential sale or exit for its shareholders.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles, with effect from the Re-registration. A summary of the principal effect of Re-registration and the adoption of the New Articles on Shareholders is included in Part II of this Document. A copy of the New Articles can be viewed at www.morsesclubplc.com/investors/key-corporate-documents.

4. Transactions in the Ordinary Shares prior to and post the proposed Cancellation

4.1 Prior to Cancellation

Shareholders should note that they are able to continue trading in the Ordinary Shares on AIM prior to Cancellation.

4.2 Dealing and settlement arrangements following Cancellation

The Directors are aware that Shareholders may wish to acquire or dispose of Ordinary Shares in the Company following the Cancellation. The Company has appointed Asset Match (www.assetmatch.com) to facilitate trading in the Ordinary Shares on a matched bargain basis following Cancellation ("**Matched Bargain Facility**"). Asset Match, a firm authorised and regulated by the Financial Conduct Authority, will operate an electronic off-market dealing facility for the Ordinary Shares. This facility will allow Shareholders and new investors to trade Ordinary Shares by matching buyers and sellers through periodic auctions. Investors can register their interest for further information on the Asset Match auction process by emailing dealing@assetmatch.com.

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 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 (i.e. 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 by emailing dealing@assetmatch.com.

Shareholders may contact Asset Match in relation to any queries regarding trading via the secondary market trading facility by emailing dealing@assetmatch.com.

The Matched Bargain Facility will operate for a minimum of twelve months after Cancellation. The Directors' current intention is that it will continue beyond that time but Shareholders should note that it could be withdrawn. Further details will be communicated to the Shareholders at the relevant time.

If Shareholders wish to buy or sell Ordinary Shares on AIM, they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 10 February 2023 and that the effective date of the Cancellation will be 13 February 2023.

5. Current Trading, Strategy and Prospects

Notwithstanding the information and rationale provided within this Circular, attention is also drawn to the recent communication of the Company's interim financial results, trading performance and other updates which can be accessed at <https://www.morsesclubplc.com/news-media/regulatory-news/> specifically:

- Interim Results (24 November 2022);
- Issue of Practice Statement Letter and update on Scheme of Arrangement (13 December 2022); and
- Extension of Term-Out Clause (15 December 2022).

6. Re-registration

As set out above, following the Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of this Document.

An application will be made to the Registrar of Companies in England and Wales for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the Resolution to re-register as a private limited company or that any such application to cancel the Resolution to re-register as a private limited company has been determined and confirmed by the Court.

7. Takeover Code

The Takeover Code applies to all offers for companies which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man.

The Takeover Code also applies to all offers for companies (both public and private) which have their registered offices in the United Kingdom, the Channel Islands or the Isle of Man and which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions are met, including that any of the company's equity share capital or other transferable securities carrying voting rights have been admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding 10 years.

Following the Cancellation and the Re-registration, the Takeover Code will continue to apply for a period of ten years from the Cancellation provided that the Company is considered by the Panel to have its place of central management and control in the United Kingdom, or the Channel Islands or the Isle of Man. This is known as the "residency test". The way in which the test for central management and control is applied for the purposes of the Takeover Code may be different from the way in which it is applied by the United Kingdom tax authorities, HMRC. Under the Takeover Code, the Panel looks to where the majority of the Directors are resident, amongst other factors, for the purposes of determining where the Company has its place of central management and control.

Based on the current composition of the Board, the residency test will be satisfied and the Takeover Code will continue to apply to the Company following the Cancellation and the Re-registration. However, the Takeover Code could cease to apply to the Company in the future if any changes to the composition of the Board result in the majority of the Directors not being resident in the United Kingdom, the Channel Islands and Isle of Man.

When the Takeover Code ceases to apply to the Company in the future, Shareholders will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares. This includes the requirement for a mandatory cash offer to be made if either:

- a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30 per cent. or more; or
- a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below.

Before giving your approval to the Cancellation and the Re-registration, you may want to take independent professional advice from an appropriate independent financial adviser.

The Takeover Code

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies and its Shareholders are accordingly entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover 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 General Principles and Rules of the Takeover Code

The Takeover Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out in Part I of Appendix A. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, 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.

Giving up the protection of the Takeover Code

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part II of Appendix A. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up in the future if you agree to the Cancellation and the Re-registration and the Company subsequently ceases to be subject to the Takeover Code in the future.**

8. Process for Cancellation

Under the AIM Rules, it is a requirement that the Cancellation must be approved by Shareholders holding not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in Part III of this Document 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. In accordance with Rule 41 of the AIM Rules, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 13 February 2023. Accordingly, if the Cancellation Resolution is passed, the Cancellation will become effective at 7.00 a.m. on 13 February 2023. If the Cancellation becomes effective, Peel Hunt will cease to be the Nominated Adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

9. General Meeting

The General Meeting will be held at the offices of Eversheds Sutherland at 10.30 a.m. on 3 February 2023 at which the following Resolutions will be proposed:

Resolution 1 is a special resolution to approve the Cancellation.

Resolution 2 is a special resolution to re-register the Company as a private company and to approve the adoption by the Company of the New Articles.

Resolution 1 is not conditional on Resolution 2 but Resolution 2 is conditional on Resolution 1.

10. Action to be taken in relation to the General Meeting

You are encouraged to vote electronically using one of the methods detailed in the notes to Part III of this document.

If you wish to use the link www.signalshares.com, you will need to log into your signal shares account or register if you have not previously done so. In order to register, you will need your investor code, which is shown on your share certificate or available from our registrar, Link Group. Link's contact details are contained in Para. 4 of the notes to Part III of this document.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may use this service and should follow the relevant instructions set out in the notes to the Notice of the Meeting on page 20 of this document.

Proximity Voting – If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. Details are included on page 20 of this document.

Proxy votes must be received no later than 10.30 a.m. on 1 February 2023.

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. Voting electronically will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

11. Recommendation

The Directors consider that the Cancellation and the Re-registration and adoption of the New Articles are in the best interests of the Company and its Shareholders as a whole and, therefore, unanimously recommend that you vote in favour of the Resolutions at the General Meeting as Gary Marshall, Graeme Campbell and Peter Ward (being the Directors who are interested in Ordinary Shares) intend to vote, or procure the vote, in respect of, in aggregate, 790,000 Ordinary Shares to which they are beneficially entitled.

Certain other Shareholders have also given irrevocable undertakings or letters of intent to vote in favour of the Resolutions as detailed in Section 1 of Part I of this Document.

Update on Scheme of Arrangement

The Company continues to progress the proposed Scheme of Arrangement in preparation for the Court convening hearing scheduled for 7 March 2023. This includes the proposals regarding the need to raise £15m of equity funding for the contribution to the Scheme compensation fund. Further to previous announcements, the Company can confirm that the Shareholder general meeting to approve share dilution and equity raise will be held after the Scheme sanction hearing.

12. Documents available for inspection

A copy of the New Articles will be available for inspection on the Company's website at www.morsesclubplc.com/investors/key-corporate-documents.

Yours faithfully,

Steve Curtis

Interim Chair

PART II

PRINCIPAL EFFECT OF RE-REGISTRATION AND ADOPTION OF NEW ARTICLES ON SHAREHOLDERS

1. Accounts

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year. The Company will still be required to circulate accounts to Shareholders (although the period for doing so is extended for private companies).

2. General meetings and resolutions

A public company is required to hold an annual general meeting of Shareholders each year, whereas a private company is not. Therefore, following the Re-registration and the adoption of the New Articles the Company will not hold annual general meetings.

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of at least 75 per cent. of the voting shares then in issue (in the case of special resolutions).

3. Directors

The Current Articles contain provisions requiring: (a) the directors of the Company to retire by rotation every three years; and (b) that one third of directors of the Company retire at each annual general meeting of the Company. These provisions are not included in the New Articles. In addition, the New Articles will not require any director appointed by the Board to be re-appointed by the Shareholders at the next annual general meeting following his appointment, as is currently required.

The Current Articles also provide that the minimum number of directors of the Company is three. The New Articles provide that the minimum number of directors of the Company is one.

4. Issue of shares for non-cash consideration

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the Re-registration and adoption of the New Articles.

5. Financial assistance, reductions of capital and purchase of own shares out of capital

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply.

In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court.

6. Company Secretary

There is no requirement for a company secretary to be appointed, although the Company may appoint one should it wish.

7. Removal of unnecessary provisions and simplification

The New Articles will not contain certain of the detailed provisions of the Current Articles which are common for listed companies, and which will not be necessary for the Company following the Cancellation.

APPENDIX A

PART I: THE GENERAL PRINCIPLES OF THE TAKEOVER CODE

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment.
2. If a person acquires control of a company, the other holders of securities must be protected.
3. 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 bid.
4. Where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
5. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the takeover bid.
6. False markets must not be created in the securities of (i) the offeree company; (ii) the offeror company; or (iii) any other company concerned by the takeover bid, in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
7. An offeror must announce a bid only after ensuring that they can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
8. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

PART II: DETAILED APPLICATION OF THE TAKEOVER CODE

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. **You should note that if the Cancellation becomes effective (subject to the Re-registration occurring) you will in the future be giving up protections afforded by the Takeover Code.**

Equality of treatment

General Principle 1 of the Takeover Code states that all holders of 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 company if there are favourable conditions attached which are not being extended to all shareholders.

Information to shareholders

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a 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 of the Takeover Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's 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 circular from the offeree company 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 with the consent of the Panel or as provided in the Notes on Rule 20.1, 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.

More than one class of equity share capital

Rule 14 provides that where a company has more than one class of equity share capital, a comparable offer must be made for each class whether such capital carries voting rights or not.

Optionholders and holders of convertible securities or subscription rights

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights.

If Cancellation occurs, 10 years following the Cancellation (subject to Re-registration having occurred) or on such other date at which the Takeover Code ceases to apply to the Company, these protections will be lost.

PART III: NOTICE OF GENERAL MEETING OF MORSES CLUB PLC

(the “Company”)

NOTICE IS HEREBY GIVEN THAT a general meeting of the Company (the “**General Meeting**”) will be held at 10.30 a.m. on 3 February 2023 at the offices of Eversheds Sutherland (International) LLP, Bridgewater Place, Water Lane, Leeds LS11 5DR to consider and, if thought fit, approve the following Resolutions, which will be proposed as special resolutions.

For the purposes of these Resolutions capitalised terms shall (unless the context requires otherwise) have the same meanings ascribed to them in the circular from the Company to the Shareholders dated 12 January 2023 (the “**Circular**”).

Shareholders will be able to join the General Meeting either in person or virtually.

Shareholders must contact the Company at investors@morsesclubplc.com by Tuesday 31 January for a link to join the meeting virtually or to inform the Company that they are wishing to attend in person.

Shareholders who wish to submit any questions may do so in advance to investors@morsesclubplc.com. The Company will endeavour to answer any questions directly, or by publishing answers on our website.

SPECIAL RESOLUTIONS

1. Cancellation

That in accordance with Rule 41 of the AIM Rules, the Cancellation of the admission to trading on AIM of the Ordinary Shares of £0.01 each in the capital of the Company be and is hereby approved and the Directors be authorised to take all action reasonable or necessary to effect such Cancellation.

2. Re-registration and adoption of New Articles

That, subject to and conditional upon Resolution 1 proposed at the General Meeting being approved at the General Meeting and the Cancellation of the admission of the Ordinary Shares of £0.01 each in the capital of the Company to trading on AIM becoming effective:

- (a) the Company be re-registered as a private limited company under the Companies Act 2006 with the name of Morses Club Limited as soon as reasonably practicable; and
- (b) upon Re-registration, the regulations contained in the document submitted to the meeting and for the purposes of identification initialled by or on behalf of the chairman be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

By order of the Board

David Belmont
Secretary

Morses Club PLC

Date: 12 January 2023

Registered office
Building 1
The Phoenix Centre
1 Colliers Way
Nottingham
NG8 6AT

Notes

1. To be entitled to vote at the General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on **1 February 2023**. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the General Meeting.
2. Shareholders wishing to appoint a proxy are recommended to appoint the Chairman of the Meeting to do so. Proxy votes must be received by **no later than 10.30 a.m. on 1 February 2023**.
3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
4. You can vote by any of the following:
 - (a) by logging on to www.signalshares.com and following the instructions;
 - (b) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below;
 - (c) by downloading the LinkVote+ app on Google Play or the Apple App Store and following the online instructions;
 - (d) Proximity Voting – If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to www.proximity.io; and
 - (e) Your proxy must be lodged by 10.30 a.m. on 1 February 2023 in order to be considered valid or, if the General Meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.
5. If you need help with voting online, please contact our Registrars, Link Group, on 0371 664 0300 from the UK (calls are charged at the standard geographic rate and will vary by provider) or +44 371 664 0300 from outside the UK (calls chargeable at the applicable international rate) or email Link at shareholderenquiries@linkgroup.co.uk. Link are open between 09.00 – 17.30, Monday to Friday, excluding public holidays in England and Wales.
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the registrar (ID RA10) **by 10.30 a.m. on 1 February 2023**. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. Unless otherwise indicated through the CREST electronic proxy appointment service, CREST voting or any other electronic voting channel instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
10. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
11. As at the date of this Document, the Company's issued share capital comprised 134,431,518 Ordinary Shares of £0.01 each. Each Ordinary Share carries the right to 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 Document is 134,431,518.
12. Voting electronically will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.

