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**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**11 JUNE 2021**

**RECOMMENDED ACQUISITION  
OF  
PROACTIS HOLDINGS PLC  
BY  
CAFE BIDCO LIMITED**

**(a newly incorporated company to be indirectly owned by joint offerors: (i) investment funds advised and managed by Pollen Street Capital Limited; and (ii) investment funds advised and managed by DBAY Advisors Limited)**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

**Summary**

- On 30 April 2021, the boards of Cafe Bidco Limited ("**Bidco**"), at that time as a wholly-owned indirect subsidiary of funds advised and managed by Pollen Street Capital, and Proactis Holdings plc ("**Proactis**") published an announcement that they had reached agreement on the terms and conditions of a recommended cash offer by Bidco for the entire issued and to be issued share capital of Proactis (the "**PSC Offer**"). The PSC Offer was intended to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**PSC Scheme**").
- On 28 May 2021, Proactis announced that discussions were ongoing between Bidco and DBAY regarding DBAY's support for, and participation in, the PSC Offer. As at 10 June 2021 (being the last Business Day prior to the date of this announcement), funds advised and managed by DBAY held or controlled 24,398,227 Proactis Shares representing approximately 25.54 per cent. of the total issued share capital of Proactis.

- While DBAY recognised that the PSC Offer provided Proactis Shareholders with an opportunity to realise their investment in cash at a significant premium, they also saw the benefits of Proactis operating as a private entity and wanted to retain a meaningful interest in Proactis over a longer term investment horizon and to provide support for the ongoing growth of the business. DBAY increased its stake in Proactis through on-market purchases to a level that would see the PSC Offer not succeed without DBAY's support. Subsequently Pollen Street Capital and DBAY engaged in discussions regarding the PSC Offer. In those discussions, DBAY indicated that it was not likely to support the PSC Offer, but both Pollen Street Capital and DBAY recognised the prospective benefit to Proactis of their collective combined support and experience, and therefore agreed a possible joint offer structure which protected the cash value offered to Proactis Shareholders pursuant to the PSC Offer. Accordingly, with the agreement and consent of the Panel and the board of directors of Proactis, funds advised and managed by Pollen Street Capital and funds advised and managed by DBAY have agreed the terms of a joint offer for the entire issued and to be issued share capital of Proactis.
- The boards of Bidco and Proactis are therefore pleased to announce they have reached agreement on the terms and conditions of a recommended cash offer by Bidco for the entire issued and to be issued share capital of Proactis, other than Proactis Shares owned or controlled by funds advised and managed by DBAY (the "**Acquisition**"). The Acquisition is intended to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006. As at the Effective Date, it is intended that, excluding any Alternative Offer Securities issued pursuant to the Alternative Offer, Bidco will be indirectly owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Bidco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Bidco.
- In light of the Acquisition and with effect from the release of this announcement, and with the consent of the Panel and board of directors of Proactis, Bidco has withdrawn the PSC Offer and, accordingly, the Proactis Directors have withdrawn their recommendation of the PSC Offer. With effect from the release of this announcement, Bidco has released the Proactis Directors from their obligations under the irrevocable undertakings entered into in respect of the PSC Offer. The co-operation agreement entered into between Bidco and Proactis on 30 April 2021 in respect of the PSC Offer has also terminated with effect from the withdrawal of the PSC Offer.
- Proactis and Bidco have entered into the Co-operation Agreement in respect of the Acquisition. Each of the Proactis Directors and Lombard Odier Asset Management (Europe) Limited has provided new irrevocable undertakings to Bidco in connection with the Acquisition. The irrevocable undertakings received by Bidco from each of Gresham House Asset Management Limited, T.A.P. Schaefers, G.J. Schaefers, R. Vermeulen, Sean McDonough, and N. Tijssen in respect of the PSC Offer remain in full force and effect in connection with the Acquisition. Further details of the Co-operation Agreement and these irrevocable undertakings are set out in this announcement.
- Under the terms of the Acquisition, each Proactis Shareholder will be entitled to receive:

**for each Proactis Share: 75pence in cash (the "Cash Offer")**

- The price per Proactis Share under the terms of the Cash Offer represents a premium of approximately:
  - 79.4 per cent. to the closing price of 41.8 pence per Proactis Share on 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period);
  - 70.7 per cent. to the volume-weighted average price of 43.9 pence per Proactis Share for the three months ended 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period);
  - 75.8 per cent. to the volume-weighted average price of 42.7 pence per Proactis Share for the six months ended 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period); and
  - 106.4 per cent. to the volume-weighted average price of 36.3 pence per Proactis Share for the 12 months ended 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period).
  
- The Acquisition values the entire issued and to be issued ordinary share capital of Proactis at approximately £74.9 million on a fully diluted basis.
  
- As an alternative to the Cash Offer, eligible Proactis Shareholders may elect to receive 0.75 Alternative Offer Securities in the capital of Bidco in exchange for each Proactis Share (the "**Alternative Offer**"), subject to the terms and conditions of the Alternative Offer (detailed in paragraph 13 of this announcement and to be set out in the Scheme Document). An eligible Proactis Shareholder may elect to take up the Alternative Offer in respect of all or part of their holding of Proactis Shares. For the purposes of Rule 24.11 of the Takeover Code, Houlihan Lokey, as financial advisers to Bidco, will provide an estimate of the value of an Alternative Offer Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter to be included in the Scheme Document. The availability of the Alternative Offer is conditional upon valid elections being made for such number of Alternative Offer Securities as represent at least 3 per cent. of the issued ordinary share capital of Bidco at completion of the Acquisition, failing which it will lapse. In these circumstances, no Alternative Offer Securities will be issued and the consideration payable in respect of each Proactis Share will be settled entirely in cash in accordance with the terms of the Cash Offer. Certain details of the Alternative Offer Securities are set out in Appendix 4 to this announcement.
  
- The maximum number of Alternative Offer Securities available to eligible Proactis Shareholders under the Alternative Offer will be limited to a number which represents 9.9 per cent. of the issued ordinary share capital of Bidco at completion of the Acquisition (the "**Alternative Offer Maximum**"). This is a reduction of the Alternative Offer Maximum pursuant to the PSC Offer, which was set at 24.9 per cent. (the "**PSC Offer AO Maximum**"). The PSC Offer AO Maximum was set at this level in the expectation that certain Proactis Shareholders would want to retain a level of economic exposure in

the Proactis Group following completion of the acquisition. In view of DBAY's participation as Joint Offeror in the Acquisition and consultation with certain Proactis Shareholders and the Proactis Directors, the Alternative Offer Maximum has been reduced to reflect Bidco's expectation of reduced uptake of the Alternative Offer whilst still offering Proactis Shareholders the opportunity to retain a meaningful investment in the business. The AO Cash Threshold (as such term is defined in the PSC Offer Announcement) has also been removed, in order to simplify the Alternative Offer and to increase the ability of Proactis Shareholders to participate in the Alternative Offer as compared with that under the PSC Offer. Further information about the Alternative Offer Securities and the Alternative Offer will be included in the Scheme Document.

- Under the terms of the Bid Conduct Agreement, each of DBAY and Pollen Street Capital has undertaken, to the extent that they or their respective affiliates or concert parties hold Proactis Shares, to (i) vote (or procure such voting) against any resolution to approve any proposal competing with the Acquisition (which would include voting against any resolution proposed at any scheme meeting to approve a scheme of arrangement in respect of the acquisition of the issued, and to be issued, ordinary share capital of Proactis by any person other than Bidco) and (ii) not accept any takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act 2006) by any person other than Bidco. These undertakings shall remain in force until the earlier of (a) the Effective Time; and (b) the time the Bid Conduct Agreement expires or terminates in accordance with its terms.
- If, on or after the date of this announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of Proactis Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Alternative Offer Securities due under the terms of the Alternative Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this announcement to the consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition. In such circumstances, Proactis Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.
- The Proactis Shares owned or controlled by funds advised and managed by DBAY (being 24,398,227 Proactis Shares as at 10 June 2021, the last Business Day prior to the date of this announcement) will not be Scheme Shares and will not be acquired by Bidco pursuant to the Acquisition. It is anticipated that, upon the Acquisition becoming Effective, funds advised and managed by DBAY will indirectly contribute the Proactis Shares owned or controlled by them to Bidco. DBAY will not be permitted to vote such

Proactis Shares at the Court Meeting, but will be permitted to vote such Proactis Shares at the General Meeting.

- The Acquisition is intended to be effected by way of a Scheme. However, Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of an Offer.

### **Recommendation**

- The Proactis Directors, who have been so advised by finnCap as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing its advice to the Proactis Directors, finnCap has taken into account the commercial assessments of the Proactis Directors. finnCap is providing independent financial advice to the Proactis Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Proactis Directors intend to recommend unanimously that the Proactis Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting as the Proactis Directors who are interested in Proactis Shares have irrevocably undertaken to do (or procure to be done) in respect of their own beneficial holdings of, in aggregate, 10,823,504 Proactis Shares, representing approximately 11.33 per cent. of the issued ordinary share capital of Proactis and 15.22 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.
- The Proactis Directors cannot form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to Proactis Shareholders as to whether or not they should elect for the Alternative Offer. The Proactis Directors consider that, in deciding whether or not to elect for the Alternative Offer, the Proactis Shareholders should take their own independent advice and consider carefully the disadvantages and advantages of electing for the Alternative Offer (including, but not limited to, those set out in paragraph 3 of this announcement) in light of their own financial circumstances and investment objectives. Each of the Proactis Directors has irrevocably undertaken to elect for the Cash Offer in respect of the entirety of their beneficial holdings of Proactis Shares. Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement. Further details of the Alternative Offer are set out in paragraphs 13, 14 and 15 of this announcement, and Appendix 4 to this announcement.

### **Background to and reasons for the Acquisition**

- Pollen Street Capital and DBAY believe that Proactis has successfully developed a leading position in the business spend management software market with a range of solutions offering a compelling value proposition to its client bases across Europe and North America.

- Pollen Street Capital and DBAY also consider there to be significant scope for increased adoption of business spend management solutions as companies increasingly seek to digitise processes, in particular in the mid-market where such solutions are currently less highly-adopted than amongst larger corporates. As a well-established provider with a footprint in five significant international markets, and a leading core set of software solutions focused on mid-sized companies, Pollen Street Capital and DBAY believe that Proactis has the potential to capitalise successfully on this trend.
- To maximise the market opportunity and become a global market leader to mid-sized corporates, Pollen Street Capital and DBAY believe that Proactis would benefit from returning to private ownership with the support of growth-focused shareholders, who can provide the capital and long-term view of value creation to enable the management team to make the investment in products, sales and marketing, and infrastructure necessary to capitalise on the market opportunity.
- Pollen Street Capital and DBAY will provide Proactis and its management team with the flexibility to take these long-term decisions to maximise the growth potential of the business, whilst also providing strategic support to develop new growth areas and operational expertise to drive efficiency.

#### **Irrevocable undertakings**

- The Proactis Directors have irrevocably undertaken to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings of, in aggregate, 10,823,504 Proactis Shares, representing approximately 11.33 per cent. of the existing issued ordinary share capital of Proactis and 15.22 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement).
- In addition to the irrevocable undertakings from the Proactis Directors described above, Bidco has also received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) from Lombard Odier Asset Management (Europe) Limited, which, together with the irrevocable undertakings received by Bidco from each of Gresham House Asset Management Limited, T.A.P. Schaefers, G.J. Schaefers, R. Vermeulen, Sean McDonough, and N. Tijssen in respect of the PSC Offer (and which remain in full force and effect in connection with the Acquisition), represent in aggregate, 37,052,012 Proactis Shares, representing approximately 38.78 per cent. of the existing issued ordinary share capital of Proactis and 52.09 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement).

- In total, therefore, Bidco has procured irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of, in aggregate, 47,875,516 Proactis Shares, representing approximately 50.11 per cent. of the existing issued ordinary share capital of Proactis and 67.3 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement). Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

### **Information on Bidco and the Joint Offerors**

- The PSC Funds, advised and managed by Pollen Street Capital, and the DBAY Funds, advised and managed by DBAY, are Joint Offerors with respect to the Acquisition.
- Bidco is a limited company registered in England and Wales and incorporated on 20 April 2021. Bidco was formed for the purposes of the proposed acquisition of Proactis. As at the Effective Date, it is intended that, excluding any Alternative Offer Securities issued pursuant to the Alternative Offer, Bidco will be indirectly owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Bidco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Bidco. Bidco has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the proposed acquisition of Proactis.
- Pollen Street Capital is one of Europe's leading specialist private equity investors in the financial and business services sectors, having invested over £2 billion since 2003 in a range of businesses across all stages of development. Pollen Street Capital works with entrepreneurial management teams to build businesses that deliver market-leading products and services to their customers, in order to create long-term sustainable success.
- DBAY is a pan-European asset manager and investor in public and private securities with offices in Douglas (Isle of Man) and London. Founded in 2011, DBAY manages a range of funds and co-investment vehicles for endowments, foundations and other institutional investors. DBAY supports companies in which it makes long term investments to develop clear growth opportunities with a particular emphasis on creating long term value by working alongside management teams.

### **Information on Proactis**

- Proactis is an international business spend management solution provider operating with a market-facing presence in the United Kingdom, United States, France, Germany and the Netherlands. Proactis enables digital trade by helping organisations around the world to control 100 per cent. of their spend. Proactis works with its customers to transform their Source-to-Pay processes; to help them save money and create efficiency gains while increasing compliance and reducing risk. Proactis believes its solutions are used in approximately 1,100 buying organisations around the world, with

over three million users who have over two million supplier relationships, in over 100 countries across the commercial, public and not-for-profit sectors.

- Proactis was incorporated in 2006 and shortly thereafter the Proactis Shares were admitted to trading on AIM. In the financial year ended 31 July 2020 (audited), the business generated £49.6 million of revenue and adjusted EBITDA of £11.8 million, and reported £41.2 million of annual recurring revenue. For the half year ended 31 January 2021 (unaudited), the business generated £23.8 million of revenue and adjusted EBITDA of £6.2 million, and reported £40.8 million of annual recurring revenue.

#### **Timetable and conditions**

- It is intended that the Acquisition will be implemented by way of a Scheme (although Bidco reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement). The terms of the Acquisition will be put to Proactis Shareholders at the Court Meeting and the General Meeting (which is expected to take place immediately following the Court Meeting). The Meetings are required to enable Proactis Shareholders to consider and, if thought fit, vote in favour of resolutions to approve the Scheme and its implementation. In order to become Effective, the Scheme must be approved at the Court Meeting by a majority in number of Scheme Shareholders, present and voting, whether in person or by proxy, representing 75 per cent. or more in nominal value of the Scheme Shares held by those Scheme Shareholders. The Scheme also requires the passing at the General Meeting of the Special Resolutions. The Scheme is expected to become Effective in Q3 of the calendar year 2021.
- The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 to this announcement. Full details of the Acquisition will be provided in the Scheme Document. It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Meetings, together with the associated forms of proxy, will be posted to Proactis Shareholders within 28 days of this announcement (or such later time as Proactis, Bidco and the Panel agree) and the Meetings are expected to be held shortly thereafter. An expected timetable of key events relating to the Acquisition will be provided in the Scheme Document.
- Commenting on the Acquisition, Alan Aubrey, the Chairman of Proactis, said:

*"Both Pollen Street Capital and DBAY are highly experienced financial and operational supporters of growth focused businesses and we believe the Company will benefit from their considerable financial resources, longer-term approach to value creation, and significant experience in successfully backing high-growth businesses to achieve their full potential. We are pleased that Bidco is supportive of the acceleration of Proactis' existing strategy and we continue to believe Proactis will be both nimbler in executing its strategy and able to build a business capable of sustainable longer-term growth.*

*The Cash Offer reflects a material uplift in value against the original proposals provided by both Pollen Street Capital and DBAY, as well as providing certainty of cash value to the Proactis Shareholders. In recommending the Cash Offer, the Proactis Directors have concluded that it*



*is in the best interests of all stakeholders, enabling shareholders to realise significant and immediate value, whilst enabling the long term growth of the business."*

- Commenting on the Acquisition, Matthew Potter, Partner of Pollen Street Capital said:

*"We are pleased to have reached agreement with the board of Proactis on the terms of Bidco's offer to Proactis Shareholders. We believe Proactis would strongly benefit from a return to private ownership, which would enable Proactis to accelerate its plans to capitalise on a clear market opportunity. Pollen Street Capital has strong heritage in supporting companies with the potential to be market leaders in the financial and business services sectors, and we are excited by the opportunity to work with Proactis, its team and DBAY in achieving our ambitious goals for the business."*

- Commenting on the Acquisition, David Morrison, Investment Director of DBAY said:

*"We are pleased that Bidco has reached agreement with the board of Proactis on an attractive cash proposal for Proactis Shareholders. We know the Proactis business well having been significant investors since July 2019 and are delighted to have the opportunity to partner with both the Proactis management team and Pollen Street Capital to accelerate Proactis's current strategy and unlock the long-term value in Proactis."*

**This summary should be read in conjunction with, and is subject to, the following full announcement and the Appendices. The Acquisition will be subject to the Conditions and other terms set out in this announcement and to the full terms and conditions which will be set out in the Scheme Document. The Conditions to, and certain further terms of, the Acquisition are set out in Appendix 1 to this announcement. The sources and bases of calculation of certain information contained in this announcement are set out in Appendix 2 to this announcement. Details of irrevocable undertakings received by Bidco are set out in Appendix 3 to this announcement. Certain details of the Alternative Offer Securities are set out in Appendix 4 to this announcement. Certain terms used in this announcement are defined in Appendix 5 to this announcement.**

**Enquiries:**

**Houlihan Lokey** +44 (0)20 7907 4200

**(Financial Adviser to Bidco)**

Lawrence Guthrie

Mark Fisher

Yashin Mody

**Stand Agency** +44 (0)7973 596 503

**(Communications adviser to Pollen Street Capital)**

Cait Dacey

**DBAY** +44 (0)1624 690 900

David Morrison

Mike Haxby

**Teneo** +44 (0)20 7260 2700  
**(Financial Adviser to DBAY)**  
Chris Nicholls  
Craig Lukins  
Dom Young

**Proactis** +44 (0)19 3754 5070  
Tim Sykes  
Richard Hughes

**finnCap** +44 (0)20 7220 0500  
**(Financial Adviser to Proactis)**  
Carl Holmes  
Henrik Persson  
Emily Watts

Slaughter and May is acting as legal adviser to Pollen Street Capital and Bidco.

Addleshaw Goddard is acting as legal adviser to DBAY.

Walker Morris LLP is acting as legal adviser to Proactis.

***Important notices relating to financial advisers***

*Houlihan Lokey, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to Bidco and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Houlihan Lokey or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Houlihan Lokey nor any of its subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this announcement or any matter referred to in this announcement.*

*Teneo is acting for DBAY and no-one else in connection with the Acquisition and will not be responsible to anyone other than DBAY for providing the protections offered to clients of Teneo or for providing advice in relation to the Acquisition, the contents of this announcement or any matters referred to in this announcement. Teneo is authorised and regulated in the United Kingdom by the Institute of Chartered Accountants in England & Wales for a range of investment business activities. Teneo is registered in England and Wales Company Number 13192958 and its registered office is 6 More London Place, London SE1 2DA. Teneo can be contacted at 60 St Martin's Lane, London, WC2N 4JS.*

*finnCap, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Proactis as financial adviser and no one else in connection with the Acquisition and will not be responsible to anyone other than Proactis for providing the protections afforded to clients of finnCap or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither finnCap nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this announcement, any statement contained in this announcement or otherwise.*

## **Further information**

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of what action is required from Proactis Shareholders in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document).*

*Proactis and Bidco shall prepare the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) to be distributed to Proactis Shareholders. Proactis and Bidco urge Proactis Shareholders to read the Scheme Document in its entirety (or, if the Acquisition is implemented by way of an Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

*Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which will apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Acquisition (including, without limitation: (i) the inclusion of an acceptance condition set at 75 per cent. of the Proactis Shares to which such Offer relates (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, Bidco under applicable law, including US securities law). Further, if sufficient acceptances of such Offer are received and/or sufficient Proactis Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Proactis Shares to which such Offer relates.*

## **Overseas Shareholders**

*This announcement has been prepared in accordance with and for the purpose of complying with the laws of England and Wales, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.*

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements of their jurisdictions.*

*The availability of the Acquisition to Proactis Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in and citizens of the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in and citizens of the United Kingdom to vote their Proactis Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another person to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or of which they are a citizen. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, participation in the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this announcement and all such documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

#### **Notice to US investors in Proactis**

*Proactis Shareholders in the United States should note that the Acquisition relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the laws of England and Wales. If the Acquisition is carried out under such Scheme, it is expected that any Alternative Offer Securities issued pursuant to the Acquisition would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof and would not be registered under the US Securities Act. Securities issued pursuant to the Scheme will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.*

*Neither the proxy solicitation nor the tender offer rules under the US Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, Bidco exercises the right to implement the Acquisition by way of an Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by Bidco and no one else. In accordance with normal United Kingdom practice and consistent with Rule 14e-5 under the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Proactis outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of consideration by a US holder for the transfer of its Proactis Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Each Proactis Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.*

*It may be difficult for US holders of Proactis Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom, since Bidco and Proactis are incorporated in a non-US jurisdiction, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Proactis Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

#### **Cautionary note regarding forward-looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Proactis contain certain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Proactis about future events, and are therefore subject to risks and uncertainties*

which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning or derivatives thereof. These statements are based on assumptions and assessments made by Proactis and/or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Proactis nor Bidco assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

### **Dealing and opening position disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company

*or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

#### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Proactis' website at <https://www.proactis.com/uk/investors/> and Bidco's website at <https://cafe.pollencap.com> by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this announcement.*

#### **No profit forecasts, estimates or quantified benefits statements**

*No statement in this announcement is intended to constitute a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that the earnings or future earnings per share of, or dividends or future dividends per share of, Proactis for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share or dividends per share of Proactis.*

#### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Proactis Shareholders, persons with information rights and participants in Proactis Share Plans may request a hard copy of this announcement by contacting Proactis' registrars, Link Group: (i) on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales; or (ii) by submitting a request in writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Please note that Link Group cannot provide*

*any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Proactis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Proactis may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **General**

*If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 so as to acquire compulsorily the remaining Proactis Shares in respect of which the Offer has not been accepted.*

*Investors should be aware that Bidco may purchase Proactis Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.*

*If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.*

### **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, Proactis confirms that, as at 10 June 2021 (being the last Business Day prior to this announcement), it had in issue 95,532,628 ordinary shares of 10 pence each (excluding shares held in treasury). The ISIN for the ordinary shares is GB00B13GSS58.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**



**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**11 JUNE 2021**

**RECOMMENDED ACQUISITION  
OF  
PROACTIS HOLDINGS PLC  
BY  
CAFE BIDCO LIMITED**

**(a newly incorporated company to be indirectly owned by joint offerors: (i) investment funds advised and managed by Pollen Street Capital Limited; and (ii) investment funds advised and managed by DBAY Advisors Limited)**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

**1. Withdrawal of the PSC Offer**

On 30 April 2021, the boards of Cafe Bidco Limited ("**Bidco**"), at that time as a wholly-owned indirect subsidiary of funds advised and managed by Pollen Street Capital, and Proactis Holdings plc ("**Proactis**") published an announcement that they had reached agreement on the terms and conditions of a recommended cash offer by Bidco for the entire issued and to be issued share capital of Proactis (the "**PSC Offer**"). The PSC Offer was intended to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**PSC Scheme**").

On 28 May 2021, Proactis announced that discussions were ongoing between Bidco and DBAY regarding DBAY's support for, and participation in, the PSC Offer. As at 10 June 2021 (being the last Business Day prior to the date of this announcement), funds advised and managed by DBAY held or controlled 24,398,227 Proactis Shares representing approximately 25.54 per cent. of the total issued share capital of Proactis.

While DBAY recognised that the PSC Offer provided Proactis Shareholders with an opportunity to realise their investment in cash at a significant premium, they also saw the benefits of Proactis operating as a private entity and wanted to retain a meaningful interest in Proactis over a longer term investment horizon and to provide support for the ongoing growth of the business. DBAY increased its stake in Proactis through on-market purchases to a level that would see the PSC Offer not succeed without DBAY's support. Subsequently Pollen Street Capital and DBAY engaged in discussions regarding the PSC Offer. In those discussions, DBAY indicated that it was not likely to support the PSC Offer, but both Pollen Street Capital and DBAY recognised the prospective benefit to Proactis of their collective combined support and experience, and therefore agreed a possible joint offer structure which protected the cash value offered to Proactis Shareholders pursuant to the PSC Offer. Accordingly, with the agreement and consent of the Panel and the board of directors of Proactis, funds advised and managed by Pollen Street Capital and funds advised and managed by DBAY have agreed the terms of a joint offer for the entire issued and to be issued share capital of Proactis.

The boards of Bidco and Proactis are therefore pleased to announce they have reached agreement on the terms and conditions of a recommended cash offer by Bidco for the entire issued and to be issued share capital of Proactis, other than Proactis Shares owned or controlled by funds advised and managed by DBAY (the "**Acquisition**"). The Acquisition is intended to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006. As at the Effective Date, it is intended that, excluding any Alternative Offer Securities issued pursuant to the Alternative Offer, Bidco will be indirectly owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Bidco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Bidco.

In light of the Acquisition and with effect from the release of this announcement, and with the consent of the Panel and board of directors of Proactis, Bidco has withdrawn the PSC Offer and, accordingly, the Proactis Directors have withdrawn their recommendation of the PSC Offer. With effect from the withdrawal of the PSC Offer, Bidco has released the Proactis Directors from their obligations under the irrevocable undertakings in respect of the PSC Offer. The co-operation agreement entered into between Bidco and Proactis on 30 April 2021 in respect of the PSC Offer has also terminated with effect from the withdrawal of the PSC Offer.

Proactis and Bidco have entered into the Co-operation Agreement in respect of the Acquisition. Each of the Proactis Directors and Lombard Odier Asset Management (Europe) Limited has provided new irrevocable undertakings to Bidco in connection with the Acquisition. The irrevocable undertakings received by Bidco from each of Gresham House Asset Management Limited, T.A.P. Schaefers, G.J. Schaefers, R. Vermeulen, Sean McDonough, and N. Tijssen in respect of the PSC Offer remain in full force and effect in connection with the Acquisition. Further details of the Co-operation Agreement and these irrevocable undertakings are set out in this announcement.

## **2. The Acquisition**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document, each Proactis Shareholder will be entitled to receive:

**for each Proactis Share: 75pence in cash (the "Cash Offer")**

The price per Proactis Share under the terms of the Acquisition represents a premium of approximately:

- 79.4 per cent. to the closing price of 41.8 pence per Proactis Share on 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period);
- 70.7 per cent. to the volume-weighted average price of 43.9 pence per Proactis Share for the three months ended 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period);
- 75.8 per cent. to the volume-weighted average price of 42.7 pence per Proactis Share for the six months ended 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period); and

- 106.4 per cent. to the volume-weighted average price of 36.3 pence per Proactis Share for the 12 months ended 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period).

The Acquisition values the entire issued and to be issued ordinary share capital of Proactis at approximately £74.9 million on a fully diluted basis.

As an alternative to the Cash Offer, eligible Proactis Shareholders may elect to receive 0.75 Alternative Offer Securities in the capital of Bidco in exchange for each Proactis Share (the "**Alternative Offer**"), subject to the terms and conditions of the Alternative Offer (detailed in paragraph 13 below and to be set out in the Scheme Document). An eligible Proactis Shareholder may elect to take up the Alternative Offer in respect of all or part of their holding of Proactis Shares. The Alternative Offer Securities will be independently valued and an estimate of the value of the Alternative Offer Securities will be included in the Scheme Document. Certain details of the Alternative Offer Securities are set out in Appendix 4 to this announcement. Further information about the Alternative Offer Securities and the Alternative Offer will be included in the Scheme Document.

The Proactis Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interest of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the rights to receive and retain in full all dividends and distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Record Time.

If, on or after the date of this announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of Proactis Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Alternative Offer Securities due under the terms of the Alternative Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this announcement to the consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition. In such circumstances, Proactis Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

It is intended that the Acquisition will be implemented by way of a Scheme (although Bidco reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement). The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement.

### **3. Recommendation**

The Proactis Directors, who have been so advised by finnCap as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing its advice to the Proactis Directors, finnCap has taken into account the commercial assessments of the Proactis Directors. finnCap is

providing independent financial advice to the Proactis Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Proactis Directors intend to recommend unanimously that the Proactis Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting as the Proactis Directors who are interested in Proactis Shares have irrevocably undertaken to do (or procure to be done) in respect of their own beneficial holdings of, in aggregate, 10,823,504 Proactis Shares representing approximately 11.33 per cent. of the issued ordinary share capital of Proactis and 15.22 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

The Proactis Directors and finnCap have considered the disadvantages and advantages outlined below in relation to the Alternative Offer. finnCap is unable to advise the Proactis Directors as to whether or not the financial terms of the Alternative Offer are fair and reasonable. This is because of the significant and variable impact the disadvantages and advantages of the Alternative Offer may have to individual Proactis Shareholders. Accordingly, the Proactis Directors cannot form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to Proactis Shareholders as to whether or not they should elect for the Alternative Offer. Each of the Proactis Directors has also irrevocably undertaken to elect for the Cash Offer (subject to the terms and conditions of the Cash Offer set out in this announcement and to be set out in the Scheme Document) in respect of their entire beneficial holdings of Proactis Shares.

The Proactis Directors consider that, in deciding whether or not to elect for the Alternative Offer, the Proactis Shareholders should take their own independent advice and consider carefully the disadvantages and advantages of electing for the Alternative Offer (including, but not limited to, those set out below) in light of their own financial circumstances and investment objectives:

*Disadvantages of electing for the Alternative Offer*

- The Alternative Offer Securities will be non-transferrable (subject to limited exceptions), unlisted and will not be admitted to trading on any stock exchange and will, therefore, be illiquid. As a result, any assessment of the value of the Alternative Offer Securities should take into account an individual shareholder's assessment of an appropriate liquidity discount.
- Upon the Scheme becoming Effective, the Alternative Offer Securities will not carry any general voting rights at general meetings of Bidco, and will therefore have no influence over decisions made by Bidco in relation to its investment in Proactis or in any other business.
- The Alternative Offer Securities will be of uncertain value and there can be no assurance that they will be capable of being sold in the future.
- Proactis Shares are currently quoted on AIM. Certain standards and protections afforded to shareholders in an AIM quoted company will be substantially different to a shareholding in an unquoted private company which an eligible Proactis Shareholder would receive as a result of electing for the Alternative Offer.

- Eligible Proactis Shareholders will have no certainty as to the amount of Alternative Offer Securities they would receive because:
  - the maximum number of Alternative Offer Securities available to Proactis Shareholders under the Alternative Offer will be limited to the Alternative Offer Maximum; and
  - should elections not be made that represent at least 3 per cent. of the issued ordinary share capital of Bidco at completion of the Acquisition, the Alternative Offer will lapse. In these circumstances, no Alternative Offer Securities will be issued and the consideration payable in respect of each Proactis Share will be settled entirely in cash in accordance with the terms of the Cash Offer.

#### *Advantages of electing for the Alternative Offer*

- The Alternative Offer allows eligible Proactis Shareholders to invest in Bidco, providing continued economic exposure to Proactis under private ownership.
- The Alternative Offer allows eligible Proactis Shareholders to participate in future value creation and may ultimately deliver greater value than the Cash Offer (although this cannot be guaranteed).
- The Alternative Offer Securities will rank economically *pari passu* with the Bidco Ordinary Shares in issue at the time the Alternative Offer Securities are allotted and issued, including in respect of dividends and the return of capital on a winding up.

Eligible Proactis Shareholders should also ascertain whether acquiring or holding Alternative Offer Securities is affected by the laws of the relevant jurisdiction in which they reside or of which they are a citizen and consider whether Alternative Offer Securities are a suitable investment in light of their own personal circumstances. Proactis Shareholders are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer (whether in respect of part of their holding of Proactis Shares or otherwise). Any decision to elect for the Alternative Offer should be based on independent financial, tax and legal advice and full consideration of this announcement and, to the extent available in such Proactis Shareholder's jurisdiction, the Scheme Document (once published).

Further details of the Alternative Offer are set out in paragraphs 13, 14 and 15 below, and Appendix 4 of this announcement.

#### **4. Background to and reasons for the Recommendation**

##### *Background*

Proactis Shares have been quoted on AIM since 2006. Since this time Proactis has grown significantly, through organic as well as acquisitive means. In 2017, Proactis acquired Perfect Commerce, LLC for approximately £102 million, of which £45 million was satisfied through new debt facilities. Following that transaction, Proactis experienced a significant level of customer churn and a deterioration of the pipeline in its recently acquired French, German and US spend management businesses. This culminated in a change in leadership and

an operational review, the result of which was outlined in the Proactis Group's interim results in April 2019. At that time Proactis announced certain actions that were required to be taken in order to move those businesses to growth and therefore to shareholder value creation.

Management detailed a revised strategic plan as a result of the operational review that was focused on, amongst other areas, rolling out its go-to-market strategy already deployed in the United Kingdom and Netherlands, aligning its extensive product portfolio to optimise cross selling and up selling opportunities, customer retention and driving growth (through strategic initiatives such as the deployment of bePayd). Since that time Proactis has returned to more stable and normalised levels of customer retention and underlying organic growth.

#### *Future growth*

The Proactis Directors remain confident that the ongoing, successful execution of Proactis' strategy would provide long-term growth and create significant value for Proactis Shareholders. However, it is the view of the Proactis Directors that the public markets no longer afford Proactis the financial flexibility to enable it to pursue its strategy and unlock its full potential. Indeed, the Proactis Directors believe that the delivery of Proactis' growth strategy could be effected more quickly with access to growth capital, financial flexibility and the ability to take longer-term investment and strategic decisions, for example accelerating the single international product and investment into bePayd, as well as increasing investment in technology and consolidation of its existing software product suite. Further, the Proactis Directors believe that the financial and strategic support of both Pollen Street Capital, a leading growth-focused financial sponsor, and DBAY, with its focus on creating long term value by working alongside management teams and history of investment in Proactis, will be highly beneficial to Proactis in delivering this accelerated expansion and longer-term value creation.

#### *The Acquisition*

The Proactis Directors believe the Acquisition reflects an attractive valuation for Proactis. A price per Proactis Share of 75 pence represents a premium of 70.7 per cent. to the volume-weighted average price of 43.9 pence per Proactis Share for the three-month period ended on the last Business Day prior to the commencement of the Offer Period. At this level, the Proactis Directors believe that the Acquisition will provide Proactis Shareholders with the opportunity to obtain liquidity for their investment and to crystallise the value of their holdings, which the Proactis Directors consider may not otherwise be achievable in the near-term. The Proactis Directors note that Pollen Street Capital, acting on behalf of investment funds advised and managed by it, submitted an initial proposal to Proactis of 60 pence per Proactis Share followed by a second proposal of 70 pence per Proactis Share, and that the Cash Offer represents a material increase from these starting and subsequent proposals. Further, earlier this year, DBAY, acting on behalf of investment funds advised and managed by it, submitted an initial proposal to Proactis and the Proactis Directors note that the Cash Offer represents a material increase from the original position.

The Proactis Directors believe that the Acquisition will provide Proactis with enhanced operational flexibility and financial resilience, enabling it to offer a more attractive proposition to its customers and potential opportunities for employees through pursuing its growth strategy.

Bidco has procured irrevocable undertakings from all of the Proactis Directors and certain Proactis Shareholders to vote (or, where applicable, procure voting)

in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of, in aggregate, 47,875,516 Proactis Shares, representing approximately 50.11 per cent. of the existing issued ordinary share capital of Proactis and 67.3 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to this announcement).

Having taken into account all relevant factors, the Proactis Directors believe that the terms of the Acquisition are compelling, acknowledge the quality and strong prospects of Proactis' business and deliver attractive value to Proactis Shareholders in cash, allowing them to crystallise the value of their holdings, as well as the Alternative Offer Securities, which enable participation by eligible Proactis Shareholders in future capital and income returns. As such, the Proactis Directors intend to recommend unanimously the Cash Offer to Proactis Shareholders.

## **5. Background to and reasons for the Acquisition**

Pollen Street Capital and DBAY believe that Proactis has successfully developed a leading position in the business spend management software market with a range of solutions offering a compelling value proposition to its client bases across Europe and North America.

Pollen Street Capital and DBAY also consider there to be significant scope for increased adoption of business spend management solutions as companies increasingly seek to digitise processes, in particular in the mid-market where such solutions are currently less highly-adopted than amongst larger corporates. As a well-established provider with a footprint in five significant international markets, and a leading core set of software solutions focused on mid-sized companies, Pollen Street Capital and DBAY believe Proactis has the potential to capitalise successfully on this trend.

To maximise the market opportunity and become a global market leader to mid-sized corporates, Pollen Street Capital and DBAY believe that Proactis would benefit from returning to private ownership with the support of growth-focused shareholders, who can provide the capital and longer-term view of value creation to enable the management team to make the investment in products, sales and marketing, and infrastructure necessary to capitalise on the market opportunity.

Pollen Street Capital and DBAY will provide Proactis and its management team with the flexibility to take these longer-term decisions to maximise the growth potential of the business, whilst also providing strategic support to develop new growth areas and operational expertise to drive efficiency.

## **6. Information relating to Bidco, Topco, and the Joint Offerors**

*Bidco*

Bidco is a limited company registered in England and Wales and incorporated on 20 April 2021. Bidco was formed for the purposes of the proposed acquisition of Proactis. As at the Effective Date, it is intended that, excluding any Alternative Offer Securities issued pursuant to the Alternative Offer, Bidco will be indirectly owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Bidco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Bidco. Bidco has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the proposed acquisition of Proactis.

#### *Topco*

Topco is a limited company registered in England and Wales and incorporated on 16 April 2021. Topco was formed for the purposes of the proposed acquisition of Proactis. Bidco is a wholly owned direct subsidiary of Topco. As at the Effective Date, it is intended that Topco will be owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Topco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Topco. Topco has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the proposed acquisition of Proactis.

#### *Pollen Street Capital*

Pollen Street Capital is one of Europe's leading specialist private equity investors in the financial and business services sectors, having invested over £2 billion since 2003 in a range of businesses across all stages of development. Pollen Street Capital works with entrepreneurial management teams to build businesses that deliver market-leading products and services to their customers, in order to create long-term sustainable success.

#### *DBAY*

DBAY is a pan-European asset manager and investor in public and private securities with offices in Douglas (Isle of Man) and London. Founded in 2011, DBAY manages a range of funds and co-investment vehicles for endowments, foundations and other institutional investors. DBAY supports companies in which it makes long term investments to develop clear growth opportunities with a particular emphasis on creating long term value by working alongside management teams.

### **7. Information relating to Proactis**

Proactis is an international business spend management solution provider operating with a market-facing presence in the United Kingdom, United States, France, Germany and the Netherlands. Proactis enables digital trade, by helping organisations around the world to control 100 per cent. of their spend. Proactis works with its customers to transform their Source-to-Pay processes; to help them save money and create efficiency gains while increasing compliance and reducing risk. Proactis believes its solutions are used in approximately 1,100 buying organisations around the world, with over three million users who have



over two million supplier relationships, in over 100 countries across the commercial, public and not-for-profit sectors.

Proactis was incorporated in 2006 and shortly thereafter the Proactis Shares were admitted to trading on AIM. In the financial year ended 31 July 2020 (audited), the business generated £49.6 million of revenue and adjusted EBITDA of £11.8 million, and reported £41.2 million of annual recurring revenue. For the half year ended 31 January 2021 (unaudited), the business generated £23.8 million of revenue and adjusted EBITDA of £6.2 million, and reported £40.8 million of annual recurring revenue.

## **8. Irrevocable Undertakings**

In total, Bidco has procured irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of, in aggregate, 47,875,516 Proactis Shares, representing approximately 50.11 per cent. of the existing issued ordinary share capital of Proactis and 67.3 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to this announcement).

The Proactis Directors have irrevocably undertaken to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings totalling 10,823,504 Proactis Shares in aggregate, representing approximately 11.33 per cent. of the existing issued ordinary share capital of Proactis and 15.22 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement). Each of the Proactis Directors has also irrevocably undertaken to elect for the Cash Offer (subject to the terms and conditions of the Cash Offer set out in this announcement and to be set out in the Scheme Document) in respect of their entire beneficial holdings of Proactis Shares.

These hard irrevocable undertakings cease to be binding: (i) where the Acquisition is implemented by way of a Scheme, if the Scheme Document is not published within 28 days of the date of issue of this announcement (or such later date as may be agreed between Proactis, Bidco and the Panel) in circumstances where the same is caused by a breach by Bidco of clause 6 of the Co-operation Agreement; (ii) if the Co-operation Agreement is terminated in accordance with its terms; (iii) if Bidco announces that it does not intend to proceed with the Acquisition and no new revised or replacement Scheme or Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; or (iv) on the earlier of: (A) the Long Stop Date; and (B) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, except where such withdrawal or lapse is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than a Scheme or vice versa in accordance with the Takeover Code. The undertakings of the Proactis Directors will remain binding in the event that a higher competing offer for Proactis is made.

In addition to the irrevocable undertakings from the Proactis Directors described above, Bidco has also received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) from Lombard Odier Asset Management (Europe) Limited, which, together with the irrevocable undertakings received by Bidco from each of Gresham House Asset Management Limited, T.A.P. Schaeffers, G.J. Schaeffers, R. Vermeulen, Sean McDonough, and N. Tijssen in respect of the PSC Offer (and which remain in full force and effect in connection with the Acquisition), represent in aggregate, 37,052,012 Proactis Shares, representing approximately 38.78 per cent. of the existing issued ordinary share capital of Proactis and 52.09 per cent. of the Proactis Shares being eligible to vote at the Court Meeting, in each case as at 10 June 2021 (being the last Business Day prior to the date of this announcement).

These irrevocable undertakings cease to be binding, inter alia, on the earlier of the Long Stop Date and the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where such lapse or withdrawal is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa in accordance with the Takeover Code.

The irrevocable undertakings provided by Gresham House Asset Management Limited and Sean McDonough will also cease to be binding if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents in the reasonable opinion of Bidco a premium of 10 per cent. or greater to the value of the consideration offered by Bidco and Bidco does not, within ten days of such third party announcement, announce an increase to the consideration to be paid for the Proactis Shares to at least an equivalent amount per Proactis Share as being offered under the competing proposal.

The irrevocable undertakings provided by Lombard Odier Asset Management (Europe) Limited will also cease to be binding if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents a premium of 10 per cent. or greater to the value of the consideration offered by Bidco.

The irrevocable undertakings provided by T.A.P. Schaeffers, G.J. Schaeffers, R. Vermeulen, and N. Tijssen will also cease to be binding if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents a premium of 20 per cent. or greater to the value of the consideration offered by Bidco and Bidco does not, within ten days of the date of such third party announcement, announce an increase to the consideration to be paid for the Proactis Shares to at least an equivalent amount per Proactis Share as being offered under the competing proposal.

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

## **9. Financing of the Acquisition**

The cash consideration payable to Proactis Shareholders by Bidco pursuant to the terms of the Acquisition will be financed by equity to be invested by the PSC Funds and the DBAY Funds. In connection with the financing of Bidco, the PSC Funds and the DBAY Funds have each entered into an Equity Commitment Letter.

Houlihan Lokey, in its capacity as financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the cash consideration payable to Proactis Shareholders pursuant to the terms of the Acquisition.

HSBC, the lender under the Proactis Group's main facility agreement and a second facility agreement under which Proactis Accelerated Payments Limited, a Proactis Group entity, is borrower, has agreed to waive the change of control clause contained in each facility agreement, which would otherwise be triggered on the Effective Date, and to extend the term of the main facility from 7 July 2022 to 31 July 2024. The waiver is subject to certain terms.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

## **10. Offer-related Arrangements**

### **10.1 PSC Confidentiality Agreement**

Pollen Street Capital, in its capacity as investment manager for and on behalf of funds managed or advised by it, and Proactis have entered into a confidentiality agreement dated 30 November 2020 (the "**PSC Confidentiality Agreement**"), pursuant to which each party has undertaken, amongst other things, to: (i) keep confidential information relating to the proposed Acquisition and not to disclose it to third parties (other than certain permitted parties) unless required by law, by a court or authority of competent jurisdiction or by the rules of, or at the request of, any applicable governmental or regulatory organisation (including the Takeover Code and the Panel) or any relevant stock exchange (including AIM); and (ii) use the confidential information only for the purpose of evaluation and negotiating the terms of the Acquisition. These confidentiality obligations will remain in force until 30 November 2022. DBAY acceded to the PSC Confidentiality Agreement on 3 June 2021.

### **10.2 Co-operation Agreement**

Bidco and Proactis have entered into a co-operation agreement dated 11 June 2021 (the "**Co-operation Agreement**"), pursuant to which Bidco and Proactis have, amongst other things, agreed to cooperate in relation to obtaining any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition. In addition, Bidco has agreed to provide Proactis with certain information for the purposes of the Scheme Document and otherwise to provide assistance which may reasonably be required with the preparation of the Scheme Document. The Co-operation Agreement also includes provisions relating to the right of Bidco to implement the Acquisition by way of an Offer and provisions that will apply in respect of the Proactis Share Plans.

Bidco has the right to terminate the Co-operation Agreement where, *inter alia*:

- a) a competing proposal becomes effective or is recommended by the Proactis Directors;
- b) the Proactis Directors have withdrawn, qualified, modified or failed to provide their unanimous and unconditional recommendation that the Proactis Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolutions at the General Meeting (including, prior to the publication of the Scheme Document (or the Offer Document, as the case may be) their intention to do so);
- c) the Scheme Document is not posted by the date that is 28 days from the date of this announcement (and such failure is not as a result of Bidco's breach of its obligations to provide reasonable assistance with the preparation of the Scheme Document or because a later date for despatch of the Scheme Document has been agreed between the parties with the Panel's consent);
- d) the Court Meeting, the General Meeting and/or the Scheme Court Hearing is not held on or before the 22<sup>nd</sup> day after the expected date of such meeting and/or hearing; and
- e) Bidco has notified Proactis of a Condition which is incapable of satisfaction or waiver by the Long Stop Date (where its invocation is permitted by the Panel).

Proactis has the right to terminate the Co-operation Agreement where a competing proposal completes, becomes effective or is declared unconditional in all respects.

Bidco and Proactis may also terminate the Co-operation Agreement by service of written notice on the other if the Acquisition is implemented by way of the Scheme and:

- a) the Scheme is not approved by the requisite majority of Proactis Shareholders at the Court Meeting or the Special Resolutions are not passed by the requisite majority of Proactis Shareholders at the General Meeting; or
- b) the Court refuses to sanction the Scheme or grant the Scheme Court Order at the Scheme Court Hearing.

The Co-operation Agreement will also terminate if:

- a) the Acquisition is withdrawn, terminates or lapses in accordance with its terms, other than where such lapse or withdrawal: (i) is as a result of Bidco exercising its right to implement the Acquisition as an Offer (with the consent of the Panel and subject to the approval of Proactis (or otherwise in accordance with the Co-operation Agreement); or (ii) is followed by a firm intention announcement made, within five Business Days of such lapse or withdrawal, by Bidco or a person acting in concert with Bidco to implement the Acquisition by a different offer or scheme on substantially the same or improved terms; or
- b) the Scheme (or Offer, as the case may be) has not become Effective by the Long Stop Date.

Bidco and Proactis may also terminate the Co-operation Agreement by mutual consent.

### *Remuneration Disclosure*

In consideration and recognition of the additional work carried out in connection with the Acquisition (above and beyond their normal duties and responsibilities), the Proactis Directors have agreed to pay a cash bonus to Tim Sykes and Richard Hughes of £150,000 and £150,000 (respectively), payable after the Effective Date as part of the next practicable payroll. Bidco has consented to the executive director bonuses and acknowledges these under the Co-operation Agreement.

finnCap considers that the proposed cash bonus arrangements, as set out above, are fair and reasonable. In providing this advice, finnCap has taken into account the commercial assessments of the Proactis Directors (other than Tim Sykes and Richard Hughes).

The proposed cash bonus payments in respect of Tim Sykes and Richard Hughes are related party transactions under the AIM Rules. The Proactis Directors (other than Tim Sykes and Richard Hughes) having consulted with finnCap, consider the terms of the related party transaction to be fair and reasonable insofar as Proactis Shareholders are concerned.

### **10.3 Bid Conduct Agreement**

Pollen Street Capital, in its capacity as investment manager for and on behalf of funds managed or advised by it, and DBAY, in its capacity as investment manager for and on behalf of funds managed or advised by it, and Bidco have entered into a bid conduct agreement dated 3 June 2021 (the "**Bid Conduct Agreement**"), pursuant to which each party has agreed certain principles in accordance with which they intend to cooperate in respect of the Acquisition.

Pursuant to the Bid Conduct Agreement, Pollen Street Capital and DBAY have agreed that Pollen Street Capital will lead the conduct of the Acquisition, subject to certain reserved matters which require the prior consent of DBAY. These matters include any decision to amend the price to be paid for each Proactis Share pursuant to the Acquisition, any other material amendment or variation to the terms of the Acquisition and the approval and/or posting of any formal scheme documentation or offer document, announcement or public statement to be issued or made by or on behalf of Bidco in connection with the Acquisition.

The terms of the Bid Conduct Agreement also include mutual undertakings by each of Pollen Street Capital and DBAY not to pursue a competing proposal to the Acquisition with respect to Proactis or take any action to frustrate the Acquisition or solicit or induce another person to make a competing proposal to the Acquisition in each case until the earlier of: (i) the date on which the Acquisition becomes Effective; and (ii) the expiry or termination of the Bid Conduct Agreement in accordance with its terms. In particular, each of DBAY and Pollen Street Capital has undertaken, to the extent that they or their respective affiliates or concert parties hold Proactis Shares, to (i) vote (or procure such voting) against any resolution to approve any proposal competing with the Acquisition (which would include voting against any resolution proposed at any scheme meeting to approve a scheme of arrangement in respect of the acquisition of the issued, and to be issued, ordinary share capital of Proactis by any person other than Bidco) and (ii) not accept any takeover offer (as defined

in Chapter 3 of Part 28 of the Companies Act 2006) by any person other than Bidco.

The Bid Conduct Agreement also includes confidentiality provisions, pursuant to which each of Pollen Street Capital and DBAY have agreed, subject to certain exceptions, to keep information relating to each party, Proactis and the Acquisition confidential.

The Bid Conduct Agreement will terminate upon the earlier of: (i) 14 days after the date on which the Acquisition becomes Effective, unless the Topco Shareholders' Agreement has not been agreed among the parties thereto in which case the Bid Conduct Agreement shall continue in full force and effect until such time as the Topco Shareholders' Agreement has become legally binding on both Pollen Street Capital and DBAY; (ii) the Acquisition being withdrawn or lapsing or not otherwise becoming Effective by the Long Stop Date; (iii) a competing bid in relation to Proactis becoming effective or wholly unconditional; (iv) the time of a Rebidding Investor Announcement (as such term is defined in the Bid-Conduct Agreement); (v) the time of service of a DBAY Withdrawal Notice or a PSC Withdrawal Notice (as each term is defined in the Bid-Conduct Agreement); and (vi) the termination of the Bid Conduct Agreement by a unanimous decision in writing of the Pollen Street Capital, DBAY and Bidco.

## **11. Disclosure of Interests in Proactis**

Except for the irrevocable commitments referred to in paragraph 8 above and as disclosed below, as at close of business on 10 June 2021 (being the last Business Day prior to the date of this announcement) neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with Bidco has:

- a) any interest in, or right to subscribe for, any relevant securities of Proactis;
- b) any short positions in respect of relevant securities of Proactis (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- c) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code in relation to Proactis Shares or in relation to any securities convertible or exchangeable into Proactis Shares; nor
- d) borrowed or lent any relevant securities of Proactis (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

| <b>Name</b>  | <b>Nature of Interest or rights concerned</b> | <b>Number of Proactis Shares</b> |
|--|---|----------------------------------|
| Sparkasse Bank Malta Plc for Romulak Limited and DouglasBay Capital III Fund (Co-Investment Account No.1) LP under the discretionary management of DBAY Advisors Limited | Interest in securities                        | 24,398,227                       |

## **12. Strategic plans with regard to the business, directors, management, employees, pensions and locations of the Proactis Group**

### ***12.1 Bidco's strategic plans for Proactis***

As set out in paragraph 5, Bidco's investors believe that Proactis management has put in place a strategy to create a high-quality, differentiated player in the business spend management software market, which has the potential to capitalise on the trend of increasing adoption rates across its markets to deliver long-term growth.

However, in order to maximise this opportunity and become a global leader in its market, Bidco's investors believe that Proactis would benefit from returning to private ownership where the management team will have the flexibility and capital to be able to make long-term decisions to invest in products, sales and marketing, and infrastructure without the distractions and constraints of public markets.

Prior to this announcement and consistent with market practice, Bidco has been granted access to Proactis' senior management for the purposes of confirmatory due diligence.

Following the Acquisition becoming Effective, Bidco intends to support Proactis' management to undertake a detailed evaluation of the Proactis Group and assess how best to maximise the potential of the Proactis Group. Bidco expects that this evaluation will be completed within approximately six months from the Effective Date. While the parameters of this evaluation have not yet been finalised, it is expected to focus on identifying new opportunities and potential investment that will support, accelerate and optimise Proactis' strategy to grow revenues, profitability and shareholder value through efficiently and consistently delivering high-quality, high-ROI products and services across each of its target markets. Such potential opportunities or investment areas may include, for example, augmenting Proactis' routes to market and product capabilities, exploring potential new markets or target client segments, and other ideas to be developed between Bidco and management.

### ***12.2 Employees and management***

Bidco values the knowledge, expertise and ambitions of Proactis' existing management and employees and recognises the important contribution that the

management team and employees of Proactis have made to the success of the business.

Once Proactis ceases to be a quoted company, a limited number of quoted company-related functions may be reduced in scope or become unnecessary. This may lead to a non-material reduction in the headcount of Proactis.

Other than as part of the reduction in quoted company-related functions described above, Bidco expects the existing personnel of Proactis to continue to contribute to the business following completion of the Acquisition, and does not intend to initiate any material headcount reductions within the Proactis Group as a result of the Acquisition.

### ***12.3 Existing rights and pensions***

Bidco confirms that, following the Scheme becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of all Proactis management and employees will be fully safeguarded in accordance with applicable law. Bidco does not intend to make any material change to the conditions of employment of the employees of the Proactis Group.

In the United Kingdom, Proactis operates a defined contribution pension scheme for its employees. It also operates other pension arrangements in certain other jurisdictions in which it has employees. Proactis does not offer any defined benefit pension arrangements. Bidco does not intend to make any changes to Proactis' current pension arrangements, employer pension contributions or the rights of admission of new members.

### ***12.4 Incentivisation arrangements***

Following the Scheme becoming Effective, Bidco intends to review the management, governance and incentive structure of the Proactis Group. Bidco has not entered into, and has not had any discussions on proposals to enter into, any form of incentivisation or other arrangements with members of the Proactis Group's management or employees and no such discussions will take place prior to the Scheme becoming Effective.

### ***12.5 Headquarters, locations, fixed assets and research and development***

Following the Scheme becoming Effective, Bidco has no plans to undertake any material restructurings or changes in the locations of Proactis' places of business. Save as set out in paragraph 12.2 above, Bidco has no plans to change the location or functions of Proactis' headquarters in Wetherby.

No changes are envisaged with respect to the redeployment of Proactis' fixed asset base nor its research and development function.

### ***12.6 Trading facilities***

Proactis Shares are currently admitted to trading on AIM. As set out in paragraph 21, it is intended that a request will be made to the London Stock Exchange to cancel trading in Proactis Shares on AIM, and to re-register Proactis as a private limited company, to take effect on or shortly after the Effective Date.



None of the statements in this paragraph 12 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

### **13. The Alternative Offer**

As an alternative to the Cash Offer, eligible Proactis Shareholders may elect to receive 0.75 Alternative Offer Securities in the capital of Bidco in exchange for each Proactis Share (the "**Alternative Offer**"), subject to the terms and conditions of the Alternative Offer (described in further detail below). An eligible Proactis Shareholder may elect to take up the Alternative Offer in respect of all or part of their holding of Proactis Shares.

The fractional entitlements of each eligible Proactis Shareholder to Alternative Offer Securities under the Alternative Offer will be rounded down to the nearest whole number of Alternative Offer Securities per eligible Proactis Shareholder. Fractional entitlements to Alternative Offer Securities will not be allotted or issued to such eligible Proactis Shareholder but will be disregarded.

The maximum number of Alternative Offer Securities available to eligible Proactis Shareholders under the Alternative Offer will be limited to a number which represents 9.9 per cent. of the issued ordinary share capital of Bidco at completion of the Acquisition (the "**Alternative Offer Maximum**"). This is a reduction of the Alternative Offer Maximum pursuant to the PSC Offer, which was set at 24.9 per cent. (the "**PSC Offer AO Maximum**"). The PSC Offer AO Maximum was set at this level in the expectation that certain Proactis Shareholders would want to retain a level of economic exposure in the Proactis Group following completion of the acquisition. In view of DBAY's participation as Joint Offeror in the Acquisition and consultation with certain Proactis Shareholders and the Proactis Directors, the Alternative Offer Maximum has been reduced to reflect Bidco's expectation of reduced uptake of the Alternative Offer whilst still offering Proactis Shareholders the opportunity to retain a meaningful investment in the business. The AO Cash Threshold (as such term is defined in the PSC Offer Announcement) has also been removed, in order to simplify the Alternative Offer and to increase the ability of Proactis Shareholders to participate in the Alternative Offer as compared with that under the PSC Offer.

If elections are validly received from eligible Proactis Shareholders in respect of a number of Proactis Shares that would require the issue of Alternative Offer Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Alternative Offer Securities to be issued in respect of each Proactis Share will be reduced on a pro rata basis, and the balance of the consideration for each Proactis Share will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer is conditional upon valid elections being made for such number of Alternative Offer Securities as represent at least 3 per cent. of the issued ordinary share capital of Bidco at completion of the Acquisition, failing which it will lapse. In these circumstances, no Alternative Offer Securities will be issued and the consideration payable in respect of each Proactis Share will be settled entirely in cash in accordance with the terms of the Cash Offer.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Alternative Offer will not be made, and the Alternative Offer Securities will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual acceptances of the Alternative Offer

will only be valid if all regulatory approvals (if any) required by a Proactis Shareholder to acquire the Alternative Offer Securities have been obtained.

For the purposes of Rule 24.11 of the Takeover Code, Houlihan Lokey, as financial advisers to Bidco, will provide an estimate of the value of an Alternative Offer Security, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter to be included in the Scheme Document.

If the Scheme becomes Effective, Proactis Shareholders who do not validly elect to receive their consideration by means of the Alternative Offer will automatically receive the full amount of the Cash Offer for their entire holding of Proactis Shares.

#### **14. Summary of the Alternative Offer Securities**

Certain details of the Alternative Offer Securities are set out in Appendix 4 to this announcement. Further information about the Alternative Offer Securities and the full terms and conditions of the Alternative Offer, including the eligibility of Proactis Shareholders to elect for the Alternative Offer, will be included in the Scheme Document.

As an overview, the Alternative Offer Securities will be subject to the following terms and conditions:

- the Alternative Offer Securities will not carry any general voting rights at general meetings of Bidco;
- the Alternative Offer Securities will be non-transferrable (subject to limited exceptions);
- the Alternative Offer Securities will be unquoted;
- eligible Proactis Shareholders who validly elect to receive all of their consideration by means of the Alternative Offer will, pursuant to a power of attorney to be included in the Scheme Document, deliver a fully executed deed of adherence pursuant to which they will be bound by the Bidco Shareholders' Agreement;
- Topco will have a right to "drag along" (i.e. force the sale of) up to all Alternative Offer Securities on any transfers of direct or indirect shareholdings in securities of Bidco by Topco, and on the same economic terms, to a bona fide third party purchaser if, following such transfer, the purchaser would thereafter directly or indirectly hold a majority of the ordinary share capital of Bidco. Topco will also have customary drag rights in connection with a proposed IPO of Bidco or any newly incorporated company established in connection with such IPO; and
- a holder of Alternative Offer Securities will be entitled to pro-rata tag-along rights on any transfer of direct or indirect shareholdings in securities of Bidco by Topco, and on the same economic terms, to a bona fide third party purchaser if, following such transfer, the purchaser would thereafter directly or indirectly hold a majority of the ordinary share capital of Bidco.

#### **15. Risk factors and other investment considerations**

The attention of eligible Proactis Shareholders who may consider electing to receive their consideration by means of the Alternative Offer is drawn to certain risk factors and other investment considerations relevant to such an election. These will be set out in full in the Scheme Document but will include, inter alia, the following:

- upon the Scheme becoming Effective, Bidco and its subsidiaries will be controlled by Topco, which will in turn be owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Topco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Topco. The Alternative Offer Securities will not carry any general voting rights at general meetings of Bidco;
- the Alternative Offer Securities will comprise securities in a private and unquoted company, and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities, and will therefore be illiquid;
- the value of the Alternative Offer Securities will at all times be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value to be estimated by Houlihan Lokey in the Scheme Document;
- payments in respect of Alternative Offer Securities will not be guaranteed or secured and, it is not anticipated that Bidco will declare or pay any dividends on any of the Alternative Offer Securities in the near-term;
- the Alternative Offer Securities will be non-transferrable (subject to limited exceptions);
- the holders of Alternative Offer Securities will not enjoy any minority protections or other rights save for those rights prescribed by applicable law;
- the holders of Alternative Offer Securities may be required in the future to sell their Alternative Offer Securities under the terms of a "drag along" provision; and
- the holders of Alternative Offer Securities will not be afforded the same level of protections and disclosure of information that they currently benefit from as shareholders in Proactis as an AIM quoted company.

## **16. Proactis Share Plans**

Participants in the Proactis Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Proactis Share Plans and an appropriate proposal will be made to such participants pursuant to Rule 15 of the Takeover Code in due course.

## **17. Convertible Loan Notes**

Holders of the Convertible Loan Notes will be contacted regarding the effect of the Acquisition on their rights under the Convertible Loan Notes and an appropriate proposal will be made to such holders pursuant to Rule 15 of the Takeover Code in due course.

## **18. Proactis SA**

Proactis currently indirectly holds approximately 88 per cent. of the issued share capital of Proactis SA, the shares of which are listed on Euronext Paris. Upon the Acquisition becoming Effective, Bidco will become the indirect holder of more than 30 per cent. of the share capital and voting rights of Proactis SA. As such, pursuant to the rules of the AMF, Bidco will be obliged to make a tender offer for those Proactis SA shares that it does not already indirectly hold unless the AMF grants a waiver of the application of such rules to Bidco. Bidco intends to seek such a waiver from the AMF.

## **19. Opening Position Disclosure**

In connection with the Acquisition, Bidco will make a public Opening Position Disclosure setting out details of its interests or short positions in, or rights to subscribe for, any relevant securities of Proactis by no later than 12 noon on 25 June 2021.

## **20. The Scheme**

It is intended that the Acquisition will be effected by means of the Scheme between Proactis and the Scheme Shareholders (although Bidco reserves the right to implement the Acquisition by way of the Offer, with the consent of the Panel and subject to the terms of the Co-operation Agreement).

The purpose of the Scheme is to provide for Bidco to become owner of the whole of the issued and to be issued share capital of Proactis. This is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Bidco, in consideration for which the Scheme Shareholders will receive the consideration on the basis set out in paragraph 2 of this announcement.

The Proactis Shares owned or controlled by funds advised and managed by DBAY (being 24,398,227 Proactis Shares as at 10 June 2021, the last Business Day prior to the date of this announcement) are Excluded Shares. Such Proactis Shares will not be Scheme Shares and will not be acquired by Bidco pursuant to the Acquisition. It is anticipated that, upon the Acquisition becoming Effective, funds advised and managed by DBAY will indirectly contribute the Proactis Shares owned or controlled by them to Bidco. DBAY will not be permitted to vote such Proactis Shares at the Court Meeting, but will be permitted to vote such Proactis Shares at the General Meeting.

To become Effective, the Scheme must be approved at the Court Meeting by a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) who are on the register of members of Proactis at the Scheme Voting Record Time present and voting (and entitled to vote), whether in person or by proxy, representing at least 75 per cent. of the votes attached to the Scheme Shares cast by those Scheme Shareholders (or the relevant class or classes thereof, if applicable). The Scheme also requires the passing at the General Meeting of the Special Resolutions. The General Meeting is expected to be held immediately after the Court Meeting. Following the Meetings, the Scheme must be sanctioned by the Court. Finally, a copy of the Scheme Court Order must be delivered to the Registrar of Companies for registration, upon which the Scheme will become Effective.

The Scheme will also be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document.

The Scheme Document will include full details of the Scheme, together with the notices convening the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Proactis Shareholders. Subject to restrictions in respect of Restricted Jurisdictions, the Scheme Document will be sent to Proactis Shareholders and, for information only, to persons with information rights and holders of options and/or awards granted under the Proactis Share Plans, as soon as reasonably practicable, and in any event (save with the consent of the Panel), within 28 days of this announcement.

The Scheme is expected to become Effective during Q3 of the calendar year 2021, subject to the satisfaction or (where applicable) waiver of the Conditions. If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed (unless Bidco and Proactis otherwise agree and the Panel otherwise consents).

If any Condition in paragraph 2 of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 7.00 a.m. (London time) on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of Proactis, specified a new date by which that Condition must be satisfied.

Upon the Scheme becoming Effective: (i) it will be binding on all Proactis Shareholders, irrespective of whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Proactis Shares will cease to be valid and entitlements to Proactis Shares held within the CREST system will be cancelled. The consideration for the Acquisition (pursuant to the Cash Offer or the Alternative Offer, as applicable) will be dispatched to Proactis Shareholders no later than 14 days after the Effective Date.

Any Proactis Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Special Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Proactis' articles of association be amended to incorporate provisions requiring any Proactis Shares issued after the Scheme Record Time (other than to Bidco and/or their nominees) to be automatically transferred to Bidco (and, where applicable, for consideration to be paid to the original recipient of the Proactis Shares so issued) on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Proactis' articles of association (as amended) will avoid any person (other than Bidco and their nominees) holding shares in the capital of Proactis after the Effective Date.

Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Acquisition (including, without limitation: (i) the inclusion of an acceptance condition set at 75 per cent. of the Proactis Shares to which such Offer relates (or such other percentage as

Bidco may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, Bidco under applicable law, including US securities law. Further, if sufficient acceptances of such Offer are received and/or sufficient Proactis Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Proactis Shares to which such Offer relates.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, AIM Rules and the Registrar of Companies.

## **21. Cancellation of trading and re-registration**

Proactis Shares are currently admitted to trading on AIM. It is intended that a request will be made to the London Stock Exchange to cancel trading in Proactis Shares on AIM, and to re-register it as a private limited company, to take effect on or shortly after the Effective Date.

It is expected that the last day of dealings in Proactis Shares on AIM will be the date of the Scheme Court Hearing and that no transfers will be registered after 6.00 p.m. (London time) on that date.

## **22. Consents**

Each of finnCap, Houlihan Lokey and Teneo has given and not withdrawn its consent to the publication of this announcement with the inclusion herein of the references to its name in the form and context in which such references appear.

## **23. Documents available for inspection**

Copies of the following documents will by no later than 12 noon on the first Business Day following the date of this announcement be published on Bidco's website at <https://cafe.pollencap.com> and Proactis' website at <https://www.proactis.com/uk/investors/> until the end of the offer:

- this announcement;
- the PSC Confidentiality Agreement;
- the Co-operation Agreement;
- the Bid Conduct Agreement;
- the Equity Commitment Letters;
- the irrevocable undertakings listed in Appendix 3 to this announcement;  
and
- the consent letters from each of the financial advisers referred to in paragraph 22 above.

The contents of the websites referred to in this announcement are not incorporated into and do not form part of this announcement.

## **24. General**

The Acquisition will be made on the terms and subject to the Conditions set out in Appendix 1 to this announcement, and to the full terms and conditions to be set out in the Scheme Document. The formal Scheme Document comprising the

Cash Offer and Alternative Offer will be sent to Proactis Shareholders within 28 days of this announcement (or on such later date as may be agreed between Bidco and Proactis with the consent of the Panel). The sources and bases of calculation of certain information contained in this announcement are set out in Appendix 2 to this announcement. Details of irrevocable undertakings received by Bidco are set out in Appendix 3 to this announcement. Certain details of the Alternative Offer Securities are set out in Appendix 4 to this announcement. Certain terms used in this announcement are defined in Appendix 5 to this announcement.

**Enquiries:**

**Houlihan Lokey** +44 (0)20 7907 4200

**(Financial Adviser to Bidco)**

Lawrence Guthrie

Mark Fisher

Yashin Mody

**Stand Agency** +44 (0) 7973 596 503

**(Communications adviser to Pollen Street Capital)**

Cait Dacey

**DBAY** +44 (0)1624 690 900

David Morrison

Mike Haxby

**Teneo** +44 (0)20 7260 2700

**(Financial Adviser to DBAY)**

Chris Nicholls

Craig Lukins

Dom Young

**Proactis** +44 (0)19 3754 5070

Tim Sykes

Richard Hughes

**finnCap** +44 (0)20 7220 0500

**(Financial Adviser to Proactis)**

Carl Holmes

Henrik Persson

Emily Watts

Slaughter and May is acting as legal adviser to Pollen Street Capital and Bidco.

Addleshaw Goddard is acting as legal adviser to DBAY.

Walker Morris LLP is acting as legal adviser to Proactis.

***Important notices relating to financial advisers***

*Houlihan Lokey, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to Bidco and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Houlihan Lokey or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither Houlihan Lokey nor any of its subsidiaries or affiliates owes or accepts any duty, liability or*

*responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this announcement or any matter referred to in this announcement.*

*Teneo is acting for DBAY and no-one else in connection with the Acquisition and will not be responsible to anyone other than DBAY for providing the protections offered to clients of Teneo or for providing advice in relation to the Acquisition, the contents of this announcement or any matters referred to in this announcement. Teneo is authorised and regulated in the United Kingdom by the Institute of Chartered Accountants in England & Wales for a range of investment business activities. Teneo is registered in England and Wales Company Number 13192958 and its registered office is 6 More London Place, London SE1 2DA. Teneo can be contacted at 60 St Martin's Lane, London, WC2N 4JS.*

*finnCap Ltd, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Proactis as financial adviser and no one else in connection with the Acquisition and will not be responsible to anyone other than Proactis for providing the protections afforded to clients of finnCap or for providing advice in relation to the Acquisition or any other matters referred to in this announcement. Neither finnCap nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this announcement, any statement contained herein or otherwise.*

#### **Further information**

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of what action is required from Proactis Shareholders in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document).*

*Proactis and Bidco shall prepare the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) to be distributed to Proactis Shareholders. Proactis and Bidco urge Proactis Shareholders to read the Scheme Document in its entirety (or, if the Acquisition is implemented by way of an Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

*Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which will apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method of effecting the Acquisition (including, without*



*limitation: (i) the inclusion of an acceptance condition set at 75 per cent. of the Proactis Shares to which such Offer relates (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, Bidco under applicable law, including US securities law). Further, if sufficient acceptances of such Offer are received and/or sufficient Proactis Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Proactis Shares to which such Offer relates.*

### **Overseas Shareholders**

*This announcement has been prepared in accordance with and for the purpose of complying with the laws of England and Wales, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England.*

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements of their jurisdictions.*

*The availability of the Acquisition to Proactis Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in and citizens of the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in and citizens of the United Kingdom to vote their Proactis Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another person to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or of which they are a citizen. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, participation in the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this announcement and all such documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not*

*be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

#### **Notice to US investors in Proactis**

*Proactis Shareholders in the United States should note that the Acquisition relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the laws of England and Wales. If the Acquisition is carried out under such Scheme, it is expected that any Alternative Offer Securities issued pursuant to the Acquisition would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof and would not be registered under the US Securities Act. Securities issued pursuant to the Scheme will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.*

*Neither the proxy solicitation nor the tender offer rules under the US Exchange Act will apply to the Scheme. Moreover, the Scheme will be subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, Bidco exercises the right to implement the Acquisition by way of an Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by Bidco and no one else. In accordance with normal United Kingdom practice and consistent with Rule 14e-5 under the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Proactis outside such Offer during the period in which such Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*The receipt of consideration by a US holder for the transfer of its Proactis Shares pursuant to the Acquisition may be a taxable transaction for US federal*

*income tax purposes and under applicable US state and local, as well as non-US and other, tax laws. Each Proactis Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable US federal, state and local, as well as non-US and other, tax laws.*

*It may be difficult for US holders of Proactis Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom, since Bidco and Proactis are incorporated in a non-US jurisdiction, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Proactis Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

### **Cautionary note regarding forward-looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and Proactis contain certain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Proactis about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning or derivatives thereof. These statements are based on assumptions and assessments made by Proactis and/or Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.*

*Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Proactis nor Bidco assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.*

### **Dealing and opening position disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

#### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Proactis' website at <https://www.proactis.com/uk/investors/> and Bidco's website at <https://cafe.pollencap.com> by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of*

doubt, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this announcement.

### **No profit forecasts, estimates or quantified benefits statements**

No statement in this announcement is intended to constitute a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that the earnings or future earnings per share of, or dividends or future dividends per share of, Proactis for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per share or dividends per share of Proactis.

### **Requesting hard copy documents**

In accordance with Rule 30.3 of the Takeover Code, Proactis Shareholders, persons with information rights and participants in Proactis Share Plans may request a hard copy of this announcement by contacting Proactis' registrars, Link Group: (i) on +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales; or (ii) by submitting a request in writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by Proactis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Proactis may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

### **General**

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 so as to acquire compulsorily the remaining Proactis Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase Proactis Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

*If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.*

### **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, Proactis confirms that, as at 10 June 2021 (being the last Business Day prior to this announcement), it had in issue 95,532,628 ordinary shares of 10 pence each (excluding shares held in treasury). The ISIN for the ordinary shares is GB00B13GSS58.*

## **APPENDIX 1**

### **CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION**

#### **Part A: Conditions to the Scheme and Acquisition**

##### **Long Stop Date**

1. The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date or such later date (if any) as Bidco and Proactis may, with the consent of the Panel, agree and (if required) the Court may allow.

##### **Scheme approval**

2. The Scheme will be conditional upon:
  - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of Proactis (or the relevant class or classes thereof, if applicable) at the Scheme Voting Record Time, present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting, (ii) such Court Meeting and any separate class meeting which may be required by the Court being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Panel, be agreed between Bidco and Proactis (and that the Court may approve if so required));
  - (b) (i) the Special Resolutions being duly passed at the General Meeting (or any adjournment thereof) and (ii) such General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Panel, be agreed between Bidco and Proactis (and that the Court may approve if so required)); and
  - (c) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Bidco and

Proactis) on or before the 22<sup>nd</sup> day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may, with the consent of the Panel, be agreed between Bidco and Proactis (and that the Court may approve if so required)) and the delivery of the office copy of the Scheme Court Order to the Registrar of Companies for registration.

### **General Conditions**

3. In addition, Bidco and Proactis have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

#### ***Certain matters arising as a result of any arrangement, agreement, etc.***

- (a) except as Disclosed, there being no provision of any agreement, arrangement, licence, lease, franchise, permit or other instrument to which any member of the Wider Proactis Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject or any event or circumstance, which in consequence of the Scheme, the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Proactis or because of a change in the control or management of any member of the Wider Proactis Group or otherwise, would or might reasonably be expected to result in, to an extent which is material in the context of the Wider Proactis Group as a whole or in the context of the Acquisition:
  - (i) any monies borrowed by or any other indebtedness (actual or contingent, including without limitation, guarantees, letters of credit and hedging contracts) of, or grant available to any such member of the Wider Proactis Group, being or becoming repayable or capable of being declared repayable immediately or prior to its or their stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) any such agreement, arrangement, licence, lease, franchise, permit or other instrument or the rights, liabilities, obligations or interests of any such member of the Wider Proactis Group thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any assets or interests of any member of the Wider Proactis Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
  - (iv) the creation or enforcement of any mortgage, charge, encumbrance or other security interest over the whole or any part of the business, property or assets of any member of the Wider Proactis Group or any such mortgage, charge, encumbrance or other security interest (whenever created, arising or having arisen) becoming enforceable;

- (v) the rights, liabilities, obligations or interests of any member of the Wider Proactis Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any such member with any other person or body or firm or company (or any arrangement or agreement relating to any such interests or business) being or becoming capable of being terminated, adversely modified or affected;
- (vi) the business, assets, value of, or the financial or trading position, profits or prospects of, any member of the Wider Proactis Group being prejudiced or adversely affected;
- (vii) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Proactis Group being or failing to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Proactis Group;
- (viii) any member of the Wider Proactis Group ceasing to be able to carry on business under any name under which it presently does so; or
- (ix) the creation or acceleration of any liability, actual or contingent, by any member of the Wider Proactis Group (including any tax liability or any obligation to obtain or acquire any authorisation, notice, waiver, concession, agreement or exemption from any government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, self-regulatory authority, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**" and together the "**Third Parties**") or any other person), excluding trade creditors and other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any such agreement, arrangement, licence, permit, lease, franchise or other instrument to which any member of the Wider Proactis Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would result in any of the events or circumstances as are referred to in Conditions 3(a)(i) to (ix);

### ***General regulatory***

- (b) except as Disclosed, no Third Party having given notice of a decision to take, institute, implement or threaten in writing any action, proceeding, suit, investigation, enquiry or reference (and not having withdrawn that notice), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be any outstanding statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) require, prevent or delay the divestiture, or alter the terms envisaged for any such divestiture by any member of the Wider Bidco



Group or any member of the Wider Proactis Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties (or any part thereof) which, in any such case, is material in the context of the Wider Proactis Group or the Wider Bidco Group in either case taken as a whole;

- (ii) require, prevent or delay the divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Proactis Group or the Wider Bidco Group;
- (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Proactis Group or the Wider Bidco Group or to exercise management control over any such member;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Bidco Group or of any member of the Wider Proactis Group in a manner which is adverse to and material in the context of the Wider Bidco Group or the Wider Proactis Group, in either case taken as a whole;
- (v) make the Scheme, the Acquisition, its implementation or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco Group of any shares or other securities in, or control or management of Proactis void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge, impede, interfere or require material amendment of the Scheme, the Acquisition, its implementation or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco Group of any shares or other securities in, or control or management of Proactis;
- (vi) other than pursuant to the Acquisition, require any member of the Wider Bidco Group or the Wider Proactis Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Proactis Group or the Wider Bidco Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider Proactis Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the businesses of any other members of the Wider Proactis Group or the Wider Bidco Group which is adverse to and material in the context of the Wider Bidco Group or the Wider Offer Group, in either case taken as a whole; or

(viii) result in any member of the Wider Proactis Group or Wider Bidco Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten in writing any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Scheme, the Acquisition or the acquisition or proposed acquisition of any Proactis Shares or otherwise intervene having expired, lapsed or been terminated;

- (c) all necessary notifications, filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Scheme, the Acquisition, its implementation or the acquisition by any member of the Wider Bidco Group of any shares or other securities in, or control or management of, Proactis and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by Bidco or any member of the Wider Bidco Group for or in respect of the Scheme, the Acquisition, its implementation or the proposed acquisition of any shares or other securities in, or control or management of, Proactis by any member of the Wider Bidco Group having been obtained in terms and in a form satisfactory to Bidco from all appropriate Third Parties or persons with whom any member of the Wider Proactis Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Proactis Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

***Certain events occurring since 31 July 2020***

- (d) except as Disclosed, no member of the Wider Proactis Group having, since 31 July 2020:
- (i) issued or agreed to issue or authorised or proposed the issue of, additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or securities or convertible securities or transferred, sold or agreed to transfer or sell or authorise or propose the transfer or sale of shares out of treasury (except, where relevant, intra-Proactis Group or for Proactis Shares issued pursuant to the exercise of options or vesting of awards in the ordinary course under the Proactis Share Plans);
  - (ii) recommended, declared, paid or made or resolved to recommend, declare, pay or make any bonus, dividend or other distribution

(whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made intra-Proactis Group;

- (iii) save for intra-Proactis Group transactions, implemented, effected, authorised, proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, sub-division, scheme, commitment or acquisitions or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is or might reasonably be expected to be material in the context of the Wider Proactis Group taken as a whole or material in the context of the Acquisition;
- (iv) save for intra-Proactis Group transactions, disposed of, or transferred, mortgaged or charged, or created any security interest over any asset or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so in a manner which is or might reasonably be expected to be material in the context of the Wider Proactis Group taken as a whole or material in the context of the Acquisition;
- (v) save for intra-Proactis Group transactions entered into the ordinary course of business, entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, in each case, to an extent which is material in the context of the Wider Proactis Group taken as whole or in the context of the Acquisition;
- (vi) made any alteration to its memorandum or articles of association or other incorporation documents (other than in connection with the Scheme);
- (vii) save for intra-Proactis Group transactions, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (viii) save for intra-Proactis Group transactions in the ordinary course, issued, authorised or proposed or announced an intention to authorise or propose the issue of any debentures, or any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is or might reasonably be expected to be material in the context of the Wider Proactis Group taken as a whole or material in the context of the Acquisition;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement,

agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or might reasonably be expected to be restrictive on the businesses of any member of the Wider Proactis Group or the Wider Bidco Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which is material in the context of the Wider Proactis Group taken as a whole;

- (xi) entered into or materially varied the terms of, or made any offer (which remains open for acceptance) to enter into or materially vary the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases or bonuses in the ordinary course for any senior executive of Proactis, other than as agreed by the Panel and Bidco;
- (xii) (other than in respect of a member of the Wider Proactis Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of indebtedness, its winding-up (voluntary or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts when they fall due or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xiv) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Proactis Group or the Wider Bidco Group other than to a nature and extent which is normal in the context of the business concerned;
- (xv) terminated or varied the terms of any agreement or arrangement between any member of the Wider Proactis Group and any other person in a manner which would or might reasonably be expected to be materially adverse to the Wider Proactis Group taken as a whole or is material in the context of the Acquisition;
- (xvi) waived, compromised or settled any material claim or regulatory proceeding (whether actual or threatened) by or against any member of the Wider Proactis Group otherwise than in the ordinary course of business;
- (xvii) made, proposed or agreed or consented to or procured any change to, or the custodian or trustee of any scheme having

made a change to (to an extent which would or might reasonably be expected to be materially adverse to the Wider Proactis Group taken as a whole or to be material in the context of the Acquisition):

- (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Proactis Group for its directors, employees, former employees or their dependents;
- (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
- (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
- (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;

(xviii) carried out any act:

- (1) which would or could reasonably be expected to lead to the commencement of the winding up of any pension scheme(s) established by any member of the Wider Proactis Group for its directors, former directors, employees, former employees or their dependants;
- (2) which would or might reasonably be expected to create a material debt owed by an employer to any such plan; or
- (3) which would or might reasonably be expected to accelerate any obligation on any employer to fund or pay additional contributions to any such plan;

(xix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, retention scheme or other benefit (including compensation) relating to the employment or termination of employment of any person employed by the Wider Proactis Group other than in accordance with the terms of the Co-operation Agreement or Acquisition or, if required by the Takeover Code, as agreed by the Panel and/or Bidco; or

(xx) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition; or

(xxi) other than with the consent of Bidco, having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Proactis Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code,

and, for the purposes of paragraphs (i) to (v) (inclusive), (vii) and (viii) of this Condition, the term "**Proactis Group**" shall mean Proactis and its wholly-owned subsidiaries;

***No material adverse change, litigation, regulatory enquiry or similar***

(e) except as Disclosed, since 31 July 2020, in each case to an extent which is or might reasonably be expected to be material in the context of the Wider Proactis Group taken as whole, or material in the context of the Acquisition:

- (i) no adverse change or deterioration having occurred, and no circumstance having arisen which would or might reasonably be expected to result in any adverse change or deterioration, in the business, assets, financial or trading position or profits or prospects of any member of the Wider Proactis Group;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Proactis Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation or other regulatory proceedings by any Third Party against or in respect of any member of the Wider Proactis Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider Proactis Group;
- (iii) no enquiry, review or investigation by (or complaint or reference to) any Third Party or other investigative body having been threatened, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Proactis Group;
- (iv) no contingent or other liability having arisen or become apparent or increased which affects, or which would be reasonably likely to affect, adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Proactis Group;
- (v) no steps having been taken, and no omissions having been made, which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Proactis Group which is necessary for the proper carrying on of its business; and
- (vi) no member of the Wider Proactis Group having conducted its business in material breach of any applicable laws and regulations;

***No discovery of certain matters regarding information, liabilities and environmental issues***

(f) except as Disclosed, Bidco not having discovered, in each case to an extent which is or might reasonably be expected to be material in the context of the Wider Proactis Group taken as a whole, or material in the context of the Acquisition:

- (i) that any financial, business or other information concerning the Wider Proactis Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Proactis Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
- (ii) that any member of the Wider Proactis Group is subject to any liability (contingent or otherwise) which is not disclosed in the 2020 Proactis Annual Report;
- (iii) that any past or present member of the Wider Proactis Group has failed to comply in any material respect with any applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Proactis Group;
- (iv) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Proactis Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party or any other person or body in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto;
- (v) that circumstances exist (whether as a result of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any past or present member of the Wider Proactis Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Proactis Group (or on its behalf) or by any person for which a member of the Wider Proactis Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest; or
- (vi) any information which affects the import of any information disclosed at any time by or on behalf of any member of the

Wider Proactis Group;

***Anti-corruption, sanctions, criminal property, IT***

- (g) no past or present member, director, officer, employee or agent of the Wider Proactis Group or any person that performs or has performed services (or otherwise acts or has acted) for or on behalf of any such company being or at any time having been engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Proactis Group;
- (h) no asset nor any member of the Wider Proactis Group constituting criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
- (i) no past or present member, director, officer, employee or agent of the Wider Proactis Group or any person that performs or has performed services for or on behalf of any such member, director, officer or employee being or at any time having been engaged in any activity or business with, made any investments in, made any funds or assets available to or received any funds or assets from:
  - (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or
  - (ii) any government, entity or individual targeted or covered by any of the economic sanctions administered or imposed by the United Nations, the US (including, without limitation, the United States Office of Foreign Assets Control), the United Kingdom, the European Union (or any of its respective member states) or any other governments or supranational body or authority in any jurisdiction, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law;
- (j) no member of the Wider Proactis Group being or at any time having been engaged in a transaction which would cause any member of the Wider Bidco Group to be in breach of any applicable law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States, the United Kingdom or the European Union or any of its member states or any other governments or supranational body or authority in any jurisdiction, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; and
- (k) no disruption having occurred in the operation of the Wider Proactis Group as a result of issues relating to information technology or any failure or



other substandard performance of any such information technology (including, without limitation, any information security breach or unauthorised access of, or unauthorised acts in relation to, any such information technology), in each case which is material in the context of the Wider Proactis Group.

#### **Part B: Certain further terms**

1. Subject to the requirements of the Panel, Bidco reserves the right to waive:
  - a) the deadline set out in Condition 1 in Part A of this Appendix 1, and any of the deadlines set out in Condition 2 in Part A of this Appendix 1 for the timing of the Court Meeting and the General Meeting. If any such deadline is not met, Bidco will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Proactis to extend the deadline in relation to the relevant Condition. In all other respects, Condition 2 in Part A of this Appendix 1 cannot be waived; and
  - b) in whole or in part, all or any of Conditions 3(a) to (k) (inclusive) in Part A of this Appendix 1.
2. Conditions 3(a) to (k) (inclusive) must be fulfilled or waived by no later than 11.59pm on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse.
3. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied or fulfilled any of the Conditions capable of waiver by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. If Bidco is required by the Panel to make an offer for Proactis Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
5. The Acquisition will lapse if the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference before the date of the Scheme Court Hearing.
6. Under Rule 13.5(a) of the Takeover Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. Conditions 1, 2(a), 2(b) and 2(c) above and, if applicable, any acceptance condition if the Acquisition is implemented by means of an Offer, are not subject to this provision of the Takeover Code.
7. The Proactis Shares acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain

in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case by reference to a record date falling on or after the Effective Date.

8. If, on or after the date of this announcement but prior to the Effective Date, any dividend and/or other form of capital return or distribution is announced, declared, made or paid or becomes payable in respect of Proactis Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Alternative Offer Securities due under the terms of the Alternative Offer) by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this announcement to the consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme. In such circumstances, Proactis Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid which becomes payable. If and to the extent that any such dividend, distribution or other return of capital is announced, declared, made or paid or becomes payable and is either: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend, distribution or other return of capital and to retain it; or (ii) cancelled before payment, the consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Alternative Offer Securities due under the terms of the Alternative Offer) shall not be subject to change in accordance with this paragraph 8. Any exercise by Bidco of its rights referred to in this paragraph 8 shall not be regarded as constituting any revision or variation of the Acquisition.
9. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Offer will be implemented on substantially the same terms, so far as applicable, and subject to the terms of the Co-operation Agreement, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in the method of effecting the Acquisition (including, without limitation: (i) the inclusion of an acceptance condition set at 75 per cent. of the Proactis Shares to which such Offer relates (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide); and (ii) those required by, or deemed appropriate by, Bidco under applicable law, including US securities law. Further, if sufficient acceptances of such Offer are received and/or sufficient Proactis Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act 2006 to acquire compulsorily any outstanding Proactis Shares to which such offer relates.
10. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. The Alternative Offer Securities have not been, and unless Bidco otherwise elects in the event of an Offer will not be, registered under the US Securities Act or any laws of any state, district or other jurisdiction of the United States, under any of the relevant securities laws of any other Restricted Jurisdiction. Accordingly, the

Alternative Offer Securities may not be offered, sold or delivered, directly or indirectly, in the United States, or any other Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction, including the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

11. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
12. This announcement and any rights or liabilities arising hereunder, the Acquisition and the Scheme, and any proxies will be governed by English law and be subject to the jurisdiction of the Court and to the Conditions and further terms set out in this Appendix 1 to be set out in the Scheme Document. The Co-operation Agreement and any dispute or claim arising out of, or in connection with, (whether contractual or non-contractual in nature) is governed by English law (save to the extent expressly set out therein) and is subject to the jurisdiction of the courts of England and Wales. The Acquisition will be subject to the applicable requirements of English law, the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange and the FCA.
13. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **APPENDIX 2 SOURCES AND BASES OF INFORMATION**

In this announcement:

1. Unless otherwise stated, historical financial information relating to the Proactis Group has been extracted or derived (without any adjustment) from the 2020 Proactis Annual Report or the 2021 Proactis Interim Results (as appropriate).
2. As at the close of business on 10 June 2021 (being the last Business Day prior to the date of this announcement), Proactis had in issue 95,532,628 Proactis Shares. The International Securities Identification Number for Proactis Shares is GB00B13GSS58.
3. The value attributable to the entire issued and to be issued ordinary share capital of Proactis is calculated on the basis of:
  - a. the number of Proactis Shares as referred to in paragraph 2 above; plus
  - b. 4,288,737 Proactis Shares which may be issued on or after the date of this Announcement pursuant to the Proactis Share Plans.

4. Unless otherwise stated, all prices and closing prices for Proactis Shares are closing middle market quotations derived from the London Stock Exchange Daily Official List (SEDOL).
5. The premium calculations to the price per Proactis Share have been calculated by reference to a price of 41.8 pence per Proactis Share, being the closing price on 29 April 2021 (being the last Business Day prior to the commencement of the Offer Period).
6. Volume-weighted average prices have been derived from Capital IQ (CapIQ) and have been rounded to the nearest single decimal place.

(a)

### **APPENDIX 3 DETAILS OF IRREVOCABLE UNDERTAKINGS**

#### **1. Directors**

The following Proactis Directors have given irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings (or those Proactis Shares over which they have control) of Proactis Shares:

| <b>Name</b>    | <b>Total Number of Proactis Shares</b> | <b>Percentage of existing issued share capital</b> | <b>Percentage of existing Proactis Shares eligible to vote at the Court Meeting</b> |
|----------------|--|--|---|
| Richard Hughes | 15,000                                 | 0.02   | 0.02  |
| Tim Sykes      | 382,736                                | 0.40   | 0.54  |
| Rodney Potts   | 8,995,427                              | 9.42   | 12.65   |
| Alan Aubrey    | 1,362,926                              | 1.43   | 1.92  |
| Nick Brown     | 67,415                                 | 0.07   | 0.09  |

Each of the Proactis Directors has also irrevocably undertaken to elect for the Cash Offer (subject to the terms and conditions of the Cash Offer set out in this announcement and to be set out in the Scheme Document) in respect of their entire beneficial holdings of Proactis Shares.

These hard irrevocable undertakings cease to be binding: (i) where the Acquisition is implemented by way of a Scheme, if the Scheme Document is not published within 28 days of the date of issue of this announcement (or such later date as may be agreed between Proactis, Bidco and the Panel) in circumstances where the same is caused by a breach by Bidco of clause 6 of the Co-operation Agreement; (ii) if the Co-operation Agreement is terminated in

accordance with its terms; (iii) if Bidco announces that it does not intend to proceed with the Acquisition and no new revised or replacement Scheme or Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; or (iv) on the earlier of: (A) the Long Stop Date; and (B) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, except where such withdrawal or lapse is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than a Scheme or vice versa in accordance with the Takeover Code.

## 2. Shareholders

### *Gresham House Asset Management Limited*

| <b>Name</b>                  | <b>Total Number of Proactis Shares</b> | <b>Percentage of existing issued share capital</b> | <b>Percentage of existing Proactis Shares eligible to vote at the Court Meeting</b> |
|------------------------------|--|--|---|
| Strategic Equity Capital plc | 6,104,954                              | 6.39   | 8.58  |

The irrevocable undertaking provided by Gresham House Asset Management Limited was provided in connection with the PSC Offer and remains in full force and effect in connection with the Acquisition.

Gresham House Asset Management Limited, acting in its capacity as discretionary investment manager for Strategic Equity Capital plc, has given an irrevocable undertaking to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of Strategic Equity Capital plc's beneficial holdings of Proactis Shares:

The obligations contained in the irrevocable undertaking provided by Gresham House Asset Management Limited lapse and cease to have effect: (i) if Bidco announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) on the earlier of (A) the Long Stop Date; or (B) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where such lapse or withdrawal is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa in accordance with the Takeover Code; or (iii) if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents in the reasonable opinion of Bidco a premium of 10 per cent. or greater to the value of the consideration offered by Bidco on the last dealing day prior to such third party announcement and Bidco does not, within ten days of such third party announcement, announce an increase to the consideration to be paid for the Proactis Shares to at least an equivalent amount per Proactis Share as being offered under the competing proposal.

### *Lombard Odier Asset Management (Europe) Limited*

Lombard Odier Asset Management (Europe) Limited, acting in its capacity as discretionary investment manager or sub-adviser for and on behalf of certain funds and accounts managed by it and/or agent of Lombard Odier Asset Management (USA) Corp acting in its capacity as discretionary investment manager for and on behalf of certain funds and accounts managed by it has given irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of Proactis Shares held by funds and accounted managed by it:

| <b>Name</b>                                     | <b>Total Number of Proactis Shares</b> | <b>Percentage of existing issued share capital</b> | <b>Percentage of existing Proactis Shares eligible to vote at the Court Meeting</b> |
|---|--|--|---|
| Lombard Odier Asset Management (Europe) Limited | 28,546,863                             | 29.88  | 40.13   |

The obligations contained in the irrevocable undertaking provided by Lombard Odier Asset Management (Europe) Limited lapse and cease to have effect if: (i) the Acquisition has not completed by 5.00 p.m. on the Long Stop Date; (ii) the Acquisition (whether implemented by way of a Scheme or an Offer) lapses or is withdrawn in a manner which is permitted by the Panel, save where such lapse or withdrawal is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa in accordance with the Takeover Code; or (iii) any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents a premium of 10 per cent. or greater to the value of the consideration offered by Bidco.

*T.A.P. Schaefers, G.J. Schaefers and R. Vermeulen*

The irrevocable undertakings provided by T.A.P Schaefers, G.J. Schaefers and R. Vermeulen were provided in connection with the PSC Offer and remain in full force and effect in connection with the Acquisition.

T.A.P Schaefers, G.J. Schaefers and R. Vermeulen have each given irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings of Proactis Shares:

| <b>Registered holder</b> | <b>Beneficial owner(s)</b> | <b>Total Number of Proactis Shares</b> | <b>Percentage of existing issued share capital</b> | <b>Percentage of existing Proactis Shares eligible to vote at the Court Meeting</b> |
|--------------------------|----------------------------|--|--|---|
|--------------------------|----------------------------|--|--|---|

|                 |  |           |      |      |
|-----------------|--|-----------|------|------|
| T.A.P Schaefers | T.A.P. Schaefers   | 228,500   | 0.24 | 0.32 |
| FTB2 BV         | T.A.P. Schaefers,<br>G.J. Schaefers,<br>R. Vermeulen<br>(each as to 1/3 of<br>the joint holding<br>of 1,292,491) | 1,292,491 | 1.35 | 1.82 |
| G.J. Schaefers  | G.J. Schaefers   | 99,200    | 0.10 | 0.14 |

The obligations in the irrevocable undertaking provided by T.A.P Schaefers, G.J. Schaefers and R. Vermeulen shall lapse and cease to have effect: (i) if Bidco announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) on the earlier of (A) the Long Stop Date; and (B) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where such lapse or withdrawal is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa in accordance with the Takeover Code; or (iii) if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents in the reasonable opinion of Bidco a premium of 20 per cent. or greater to the value of the consideration offered by Bidco on the last dealing day prior to such third party announcement and Bidco does not, within ten days of such third party announcement, announce an increase to the consideration to be paid for the Proactis Shares to at least an equivalent amount per Proactis Share as being offered under the competing proposal.

#### *Sean McDonough*

The irrevocable undertaking provided by Sean McDonough was provided in connection with the PSC Offer and remains in full force and effect in connection with the Acquisition.

Sean McDonough has given an irrevocable undertaking to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of his own beneficial holdings of Proactis Shares:

| <b>Registered holder</b> | <b>Beneficial owner(s)</b> | <b>Total Number of Proactis Shares</b> | <b>Percentage of existing issued share capital</b> | <b>Percentage of existing Proactis Shares eligible to vote at the Court Meeting</b> |
|--------------------------|----------------------------|--|--|---|
| Sean McDonough           | Sean McDonough             | 621,666                                | 0.65   | 0.87  |
| Dowgate                  | Sean                       | 15,000                                 | 0.02   | 0.02  |

The obligations in the irrevocable undertaking provided by Sean McDonough shall lapse and cease to have effect: (i) if Bidco announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) on the earlier of (A) the Long Stop Date; and (B) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where such lapse or withdrawal is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa in accordance with the Takeover Code; or (iii) if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents in the reasonable opinion of Bidco a premium of 10 per cent. or greater to the value of the consideration offered by Bidco on the last dealing day prior to such third party announcement and Bidco does not, within ten days of such third party announcement, announce an increase to the consideration to be paid for the Proactis Shares to at least an equivalent amount per Proactis Share as being offered under the competing proposal.

#### *N. Tijssen*

The irrevocable undertaking provided by N. Tijssen was provided in connection with the PSC Offer and remains in full force and effect in connection with the Acquisition.

N. Tijssen has given an irrevocable undertaking to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer) in respect of their own beneficial holdings of Proactis Shares:

| <b>Registered holder</b> | <b>Beneficial owner(s)</b> | <b>Total Number of Proactis Shares</b> | <b>Percentage of existing issued share capital</b> | <b>Percentage of existing Proactis Shares eligible to vote at the Court Meeting</b> |
|--------------------------|----------------------------|--|--|---|
| N. Tijssen               | N. Tijssen                 | 143,338                                | 0.15   | 0.20  |

The obligations in the irrevocable undertaking provided by N. Tijssen shall lapse and cease to have effect: (i) if Bidco announces that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme or Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) on the earlier of (A) the Long Stop Date; and (B) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms, save where such lapse or withdrawal is as a result of Bidco exercising its right to implement the Acquisition by way of an Offer rather than by way of a Scheme or vice versa in accordance



with the Takeover Code; or (iii) if any third party announces a firm intention offer in accordance with Rule 2.7 of the Takeover Code for all of the issued and to be issued ordinary share capital of Proactis and the consideration payable for each Proactis Share under such proposal represents in the reasonable opinion of Bidco a premium of 20 per cent. or greater to the value of the consideration offered by Bidco on the last dealing day prior to such third party announcement and Bidco does not, within ten days of such third party announcement, announce an increase to the consideration to be paid for the Proactis Shares to at least an equivalent amount per Proactis Share as being offered under the competing proposal.

#### **APPENDIX 4 DETAILS ON THE BIDCO GROUP AND THE ALTERNATIVE OFFER SECURITIES**

##### **1. INFORMATION ON TOPCO AND BIDCO**

Bidco is a wholly-owned direct subsidiary of Topco. As at the Effective Date, it is intended that Topco will be owned in the following proportions: (i) investment funds advised and managed by Pollen Street Capital will own 65 per cent. of Topco; and (ii) investment funds advised and managed by DBAY will own 35 per cent. of Topco. Neither Topco nor Bidco has traded since the dates of their respective incorporation, nor has any of them entered into any obligations other than in connection with the acquisition of Proactis.

Topco is a private limited company registered in England and Wales and incorporated on 16 April 2021. The share capital of Topco currently comprises 10 ordinary shares of £0.01 each.

Bidco is a private limited company registered in England and Wales and incorporated on 20 April 2021. The share capital of Bidco currently comprises 10 ordinary shares of £0.01 each but will be reorganised on or prior to the Effective Date so that it comprises Bidco Ordinary Shares and Alternative Offer Securities on the terms summarised below and to be set out in the Scheme Document. The Bidco Ordinary Shares will be held by Topco and the Alternative Offer Securities will be held by eligible Proactis Shareholders who elect for the Alternative Offer.

Set out below is a summary of the proposed provisions of the Bidco Shareholders' Agreement and the Bidco Articles governing the terms on which eligible Proactis Shareholders who elect for the Alternative Offer will hold interests in Alternative Offer Securities. Further details will be included in the Scheme Document.

##### **2. TERMS OF THE ISSUE OF ALTERNATIVE OFFER SECURITIES**

The Alternative Offer Securities to be issued to eligible Proactis Shareholders who elect for the Alternative Offer will be issued credited as fully paid and will rank economically pari passu with the Bidco Ordinary Shares issued to and held by Topco in connection with the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of this announcement.

### **3. ECONOMIC RIGHTS**

The economic rights described below are subject to the risks also described below and in paragraph 15 of this announcement (for example, that (i) holders of Alternative Offer Securities may be diluted over time, potentially significantly, should holders of Alternative Offer Securities not elect to participate in further issues of additional shares, loan notes or other securities of Bidco; and (ii) holders of Alternative Offer Securities are not always entitled to participate in such issues).

Subject to the above any return of proceeds to security holders of Bidco, whether on an Exit (as described below) or otherwise, including the right to receive and retain dividends and all other distributions and returns of capital made or paid, shall be distributed to each holder of Bidco Ordinary Shares and Alternative Offer Securities, pro-rata to their shareholdings. The Bidco Ordinary Shares and the Alternative Offer Securities shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by Bidco.

### **4. VOTING RIGHTS**

Alternative Offer Securities will not carry any general voting rights at general meetings of Bidco.

### **5. TRANSFERS OF THE ALTERNATIVE OFFER SECURITIES**

No Alternative Offer Securities will be transferable without the prior written consent of Topco except pursuant to the drag and tag rights described below or in respect of customary permitted transfers to associates.

No changes in direct or indirect interests or economic entitlements in an Alternative Offer Security shall be permitted which circumvent the restrictions on transfer and, without prejudice to damages claims, economic rights shall be suspended during any such breach.

### **6. ADDITIONAL ISSUE OF BIDCO SECURITIES**

The holders of Alternative Offer Securities will have pro-rata "catch-up" rights for any issuances of equity or equity-linked securities by Bidco to Topco, excluding issuances:

- by one wholly-owned member of the Bidco Group to another wholly-owned member of the Bidco Group;
- to Topco and/or its associates to finance the Acquisition;
- to eligible Proactis Shareholders pursuant to the Scheme in connection with the Acquisition;

- in connection with issuances to or incentivisation for actual or potential employees, directors or consultants (whether directly or indirectly) which will dilute the holders of Bidco Ordinary Shares and Alternative Offer Securities pro rata;
- other than to Topco or its associates, for non-cash consideration on the acquisition of, or merger with, all or part of another business, undertaking, company or assets which will dilute the holders of Bidco Ordinary Shares and Alternative Offer Securities pro rata;
- other than to Topco or its associates, in connection with the debt financing arrangements of the Bidco Group which will dilute the holders of Bidco Ordinary Shares and Alternative Offer Securities pro rata;
- in connection with an IPO or a pre-IPO reorganisation; or
- in respect of which Topco and the holders of a majority of the Alternative Offer Securities give their prior written consent to pre-emption rights not applying.

## **7. TERMS OF ALTERNATIVE OFFER IN THE EVENT OF A SWITCH**

In the event that Bidco elects, with the consent of the Panel and subject to the Co-operation Agreement, to switch to an Offer, and less than 100 per cent. of the Proactis Shares are acquired by Bidco on or around the date of such Offer becoming wholly unconditional, the total number of Alternative Offer Securities to be issued to eligible Proactis Shareholders who elect for the Alternative Offer and Bidco Ordinary Shares to be issued to Topco will be reduced (and in the same proportions as between Bidco Ordinary Shares and Alternative Offer Securities such that the maximum number of Alternative Offer Securities available to eligible Proactis Shareholders under the Alternative Offer will remain a number equal to 9.9 per cent. of the total ordinary share capital of Bidco in issue at such time).

In that event, if elections for the Alternative Offer are unable to be satisfied in full as a result, the number of Alternative Offer Securities available for each Proactis Share will be reduced on a pro rata proportional basis and the balance of the consideration for each Proactis Share will be paid in cash in accordance with the terms of the Cash Offer.

If: (i) further Proactis Shares are acquired for cash by or on behalf of Bidco after the Offer becomes wholly unconditional (under the compulsory acquisition procedure or otherwise); and (ii) the Bidco Ordinary Shares to be issued to fund those acquisitions were not included in the calculation of the above 9.9 per cent. entitlement of eligible Proactis Shareholders who elect for the Alternative Offer, then the holders of Alternative Offer Securities shall be entitled to customary "catch-up" pre-emption rights in relation to any such additional issue of Bidco Ordinary Shares in order to maintain their percentage shareholdings in Bidco.

## **8. EXIT ARRANGEMENTS**

Any future share sale, asset sale, IPO, winding-up or other form of liquidity event relating to the Bidco Group (an "Exit") shall occur at the absolute discretion of Topco.

All holders of Alternative Offer Securities are required to co-operate and take such actions in respect of any proposed Exit as are reasonably requested by the

Bidco Group or Topco. This shall include without limitation: any reorganisation, restructuring or other corporate (or similar) action required to facilitate such Exit; providing warranties but only as to the title to the Alternative Offer Securities held by such holder and its capacity to transfer such Alternative Offer Securities; and, in the case of an IPO, entering into customary "lock-up" undertakings.

## **9. DRAG-ALONG AND TAG-ALONG**

Topco shall have a right to "drag along" up to all Alternative Offer Securities on the same economic terms on any transfers of direct or indirect shareholdings in shares of Bidco by Topco to a bona fide purchaser which is not connected with Topco if, following such transfer, the purchaser would thereafter directly or indirectly hold a majority of the ordinary shares of Bidco. Topco will also have customary drag rights in connection with a proposed IPO of Bidco or any newly incorporated company established in connection with such IPO.

Holders of the Alternative Offer Securities shall have a "pro rata" tag right on the same economic terms on any transfer of direct or indirect shareholdings in Bidco shares by Topco to a bona fide purchaser which is not connected with Topco if, following such transfer, the purchaser would thereafter directly or indirectly hold a majority of the ordinary shares of Bidco.

## **10. GOVERNING LAW**

The Bidco Shareholders' Agreement and any non-contractual obligations arising out of or in connection with them shall be governed by English law. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Bidco Shareholders' Agreement and accordingly any proceedings arising out of or in connection with the Bidco Shareholders' Agreement shall be brought in such courts.

## **APPENDIX 5 DEFINITIONS**

|  |   |
|--|---|
| <b>"2020 Proactis Annual Report"</b>   | the annual report and audited accounts of Proactis for the year ended 31 July 2020;   |
| <b>"2021 Proactis Interim Results"</b> | the unaudited interim results of Proactis for the six months ended 31 January 2021;   |
| <b>"Acquisition"</b>                   | the proposed acquisition of the entire issued and to be issued share capital of Proactis by Bidco, to be effected by the Scheme as described in this announcement (or by the Offer under certain circumstances described in this announcement); |
| <b>"AIM"</b>                           | the market of that name operated by the London Stock Exchange;  |
| <b>"AIM Rules"</b>                     | the AIM Rules for Companies published by the London Stock Exchange from time to time;   |
| <b>"Alternative Offer"</b>             | the alternative to the Cash Offer pursuant to whi '   |

|  |  |
|--|--|
|  | eligible Proactis Shareholders may elect to receive 0.75 Alternative Offer Securities in exchange for each Proactis Share, the terms and conditions of which will be set out in the Scheme Document;   |
| <b>"Alternative Offer Maximum"</b>     | has the meaning set out in paragraph 13;   |
| <b>"Alternative Offer Securities"</b>  | the ordinary shares in the capital of Bidco to be issued to eligible Proactis Shareholders who elect to receive the Alternative Offer, the terms of which are summarised at Appendix 4 to this announcement and which will be set out in full in the Scheme Document and the Bidco Articles; |
| <b>"AMF"</b>                           | Autorité des marchés financiers, the French financial markets authority;   |
| <b>"Authorisations"</b>                | regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;  |
| <b>"Bid Conduct Agreement"</b>         | has the meaning given to it in paragraph 10.3 of this announcement;  |
| <b>"Bidco"</b>                         | Cafe Bidco Limited, incorporated in England and Wales with registered number 13346628;   |
| <b>"Bidco Articles"</b>                | the articles of association of Bidco;  |
| <b>"Bidco Group"</b>                   | Bidco and its subsidiary undertakings and where the context permits, each of them;   |
| <b>"Bidco Ordinary Shares"</b>         | the ordinary shares in the capital of Bidco to be issued to Topco;   |
| <b>"Bidco Shareholders' Agreement"</b> | the shareholders' agreement to be entered into by the holders of securities of Bidco;  |
| <b>"Blocking Law"</b>                  | (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or (ii) any similar blocking or anti-boycott law;                                     |
| <b>"Business Day"</b>                  | a day, (other than a Saturday, Sunday or public holiday in England) on which banks are generally open for business in London;  |
| <b>"Cash Offer"</b>                    | 75 pence in cash for each Proactis Share;  |
| <b>"CMA"</b>                           | the UK Competition and Markets Authority of the United Kingdom;  |
| <b>"CMA Phase 2 Reference"</b>         | a reference of the Acquisition to the chair of the CMA for the constitution of a group under schedule 4 to th~   |

|                                 |  |
|---------------------------------|--|
|                                 | Enterprise and Regulatory Reform Act 2013;   |
| <b>"Companies Act 2006"</b>     | the UK Companies Act 2006 (as amended from time to time);  |
| <b>"Conditions"</b>             | the conditions to the implementation of the Acquisition, as set out in Appendix 1 to this announcement and to be set out in the Scheme Document;   |
| <b>"Convertible Loan Notes"</b> | the outstanding (i) USD 3,750,000 2 per cent. convertible unsecured loan notes due 8 July 2022; (ii) EUR 3,000,000 3 per cent. convertible unsecured loan notes due 6 August 2023; and (iii) EUR 1,000,000 3 per cent. convertible unsecured loan notes due 6 November 2024, in each case issued by Proactis;  |
| <b>"Co-operation Agreement"</b> | has the meaning given to it in paragraph 10.2 of this announcement;  |
| <b>"Court"</b>                  | the High Court of Justice in England and Wales;  |
| <b>"Court Meeting"</b>          | the meeting or meetings of the Proactis Shareholders (or any class or classes thereof) to be convened by order of the Court pursuant to section 899 of the Companies Act 2006 (notice of which will be set out in the Scheme Document) for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof;   |
| <b>"CREST"</b>                  | the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in those Regulations) in accordance with which securities may be held and transferred in uncertificated form;   |
| <b>"Dealing Disclosure"</b>     | has the same meaning as in Rule 8 of the Takeover Code;  |
| <b>"DBAY"</b>                   | DBAY Advisors Limited, a company registered in the Isle of Man with company number 126150C;  |
| <b>"DBAY Funds"</b>             | (i) DouglasBay Capital III Fund LP, a limited partnership registered in Cayman with number HL-92349; and (ii) DouglasBay Capital III Fund (Co-Investment Account No.1) LP, a limited partnership registered in Cayman with number MC-94564;  |
| <b>"Disclosed"</b>              | the information disclosed by or on behalf of Proactis: (i) in the 2020 Proactis Annual Report; (ii) in the 2021 Proactis Interim Results; (iii) in this announcement; (iv) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; (v) fairly disclosed in writing (including via the virtual data room operated by or on behalf of the Proactis in respect of the Acquisition) prior to the date of th |

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|---|---|
|   | announcement to Bidco or Bidco's advisers (in their capacity as such);  |
| <b>"Disclosure Guidance and Transparency Rules"</b> | the disclosure guidance and transparency rules made by the FCA and forming part of the FCA's handbook of rules and guidance, as amended from time to time;  |
| <b>"Effective"</b>                                  | in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code; |
| <b>"Effective Date"</b>                             | the date on which the Acquisition becomes Effective;  |
| <b>"Equity Commitment Letters"</b>                  | the equity commitment letter entered into between the PSC Funds, on the one hand, and Bidco, on the other hand, dated 11 June 2021 and the equity commitment letter entered into between the DBAY Funds, on the one hand, and Bidco on the other hand, dated 11 June 2021;  |
| <b>"Excluded Shares"</b>                            | any: (i) Proactis Shares legally or beneficially held by funds advised and managed by DBAY; (ii) any Proactis Shares legally or beneficially held by the Wider Bidco Group; and (iii) any Proactis Treasury Shares, in each case immediately prior to the Scheme Record Time;   |
| <b>"FCA"</b>  | the UK Financial Conduct Authority;   |
| <b>"finnCap"</b>                                    | finnCap Ltd;  |
| <b>"FSMA"</b>                                       | the Financial Services and Markets Act 2000 (as amended from time to time);   |
| <b>"General Meeting"</b>                            | the general meeting of Proactis Shareholders (including any adjournment thereof) to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving, <i>inter alia</i> , the Special Resolutions;   |
| <b>"Houlihan Lokey"</b>                             | Houlihan Lokey (Corporate Finance) Limited;   |
| <b>"HSBC"</b>                                       | HSBC Bank PLC;  |
| <b>"IPO"</b>  | initial public offering;  |
| <b>"Joint Offerors"</b>                             | Pollen Street Capital and DBAY, acting together as joint offerors in respect of the Acquisition;  |
| <b>"London Stock Exchange"</b>                      | London Stock Exchange plc;  |
| <b>"Long Stop Date"</b>                             | 31 December 2021 or such later date as may be agreed in writing by Bidco and Proactis (with the   |

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|                                      | Panel's consent and as the Court may approve (if such approval(s) is or are required));  |
| <b>"Market Abuse Regulation"</b>     | the UK version of the Market Abuse Regulation (EU) No 596/2014, which came into effect on 1 January 2021 when the EU Market Abuse Regulation (EU) No 596/2014 was incorporated into UK domestic law by the European Union (Withdrawal) Act 2018, with certain modifications;   |
| <b>"Meetings"</b>                    | the Court Meeting and the General Meeting and, where the context permits, each of them;  |
| <b>"Offer"</b>                       | if, subject to the consent of the Panel and the terms of the Co-operation Agreement, the Acquisition is implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of Proactis and, where the context admits, any subsequent revision, variation, extension or renewal of such offer; |
| <b>"Offer Document"</b>              | should the Acquisition be implemented by means of the Offer, the document to be published by or on behalf of Bidco in connection with the Offer, containing, <i>inter alia</i> , the terms and conditions of the Offer;  |
| <b>"Offer Period"</b>                | the offer period (as defined by the Takeover Code) relating to Proactis which commenced on 30 April 2021;  |
| <b>"Opening Position Disclosure"</b> | has the same meaning as in Rule 8 of the Takeover Code;  |
| <b>"Overseas Shareholders"</b>       | Proactis Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;   |
| <b>"Panel"</b>                       | the Panel on Takeovers and Mergers;  |
| <b>"Pollen Street Capital"</b>       | Pollen Street Capital Limited, a private company incorporated in England and Wales with company number 08741640;   |
| <b>"Proactis"</b>                    | Proactis Holdings plc, a public company incorporated in England and Wales with registered number 05752247;   |
| <b>"Proactis Directors"</b>          | the directors of Proactis as at the date of this announcement or, where the context so requires, the directors of Proactis from time to time;  |
| <b>"Proactis Group"</b>              | Proactis and its subsidiary undertakings and, where the context permits, each of them;   |
| <b>"Proactis SA"</b>                 | Proactis SA, listed on Euronext Paris under the symbol PROAC;  |



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| <b>"Proactis Shareholders"</b>          | the holders of Proactis Shares;  |
| <b>"Proactis Shares"</b>                | the existing unconditionally allotted or issued fully paid ordinary shares of 10 pence each in the capital of Proactis and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective;  |
| <b>"Proactis Share Plans"</b>           | each of: (i) the Proactis Group Long-Term Incentive Plan 2020, adopted by the board of Proactis on 27 January 2021; and (ii) the Proactis Holdings Enterprise Management Incentive Scheme, whose rules are dated 26 May 2006;  |
| <b>"Proactis Treasury Shares"</b>       | any Proactis Shares which are held by Proactis as treasury shares (within the meaning of the Companies Act 2006);  |
| <b>"PSC Confidentiality Agreement"</b>  | has the meaning given to that term in paragraph 10.1 of this announcement;   |
| <b>"PSC Funds"</b>                      | (i) PSC IV LP, a limited partnership registered in Guernsey with number 3357; (ii) PSC IV (B) LP, a limited partnership registered in Guernsey with number 3387; and (iii) PSC IV (C) SCsp, a limited partnership registered in Luxembourg with number B237673;                      |
| <b>"PSC Offer"</b>                      | has the meaning given to that term in paragraph 1 of this announcement;  |
| <b>"PSC Offer AO Maximum"</b>           | has the meaning given to that term in paragraph 13 of this announcement;   |
| <b>"PSC Scheme"</b>                     | has the meaning given to that term in paragraph 1 of this announcement;  |
| <b>"Registrar of Companies"</b>         | the Registrar of Companies in England and Wales;   |
| <b>"Regulatory Information Service"</b> | has the same meaning as in the AIM Rules;  |
| <b>"Restricted Jurisdiction"</b>        | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Proactis Shareholders in that jurisdiction;                                       |
| <b>"Scheme"</b>                         | the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Proactis and Proactis Shareholders to implement the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Proactis and Bidco; |
| <b>"Scheme Court Hearing"</b>           | the hearing of the Court to sanction the Scheme pursuant to section 899 of the Companies Act 2006  |

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|                                    | and any adjournment, postponement or reconvening thereof;   |
| <b>"Scheme Court Order"</b>        | the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006;  |
| <b>"Scheme Document"</b>           | the document to be dispatched to Proactis Shareholders and persons with information rights setting out, among other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the General Meeting;   |
| <b>"Scheme Record Time"</b>        | the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date, or such other time as Proactis and Bidco may agree;   |
| <b>"Scheme Shareholder"</b>        | a holder of Scheme Shares;  |
| <b>"Scheme Shares"</b>             | <p>(i) the Proactis Shares in issue at the date of the Scheme Document;</p> <p>(ii) any Proactis Shares issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</p> <p>(iii) any Proactis Shares issued at or after the Scheme Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,</p> <p>in each case which remain in issue at the Scheme Record Time, other than the Excluded Shares;</p> |
| <b>"Scheme Voting Record Time"</b> | the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. (London time) on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days before the date of such adjourned Court Meeting;   |
| <b>"Significant Interest"</b>      | in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital of such undertaking;  |
| <b>"Special Resolutions"</b>       | such shareholder resolutions of Proactis as are necessary to enable Proactis to approve, implement and effect the Scheme and the Acquisition, including (without limitation) a resolution to amend the articles of association of Proactis by the adoption and inclusion of a new article under which any Proactis Shares issued or transferred after the General Meeting shall either  |

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|  | subject to the Scheme or (after the Effective Date) be immediately transferred to Bidco (or as it may direct) in exchange for the same consideration as is due under the Scheme;   |
| <b>"Takeover Code"</b>                 | the City Code on Takeovers and Mergers of the UK issued by the Panel, as amended from time to time;  |
| <b>"Teneo"</b>                         | means Teneo Restructuring Limited, regulated by the Institute of Chartered Accountants in England & Wales for a range of investment business activities;   |
| <b>"Topco"</b>                         | Cafe Topco Limited, a private company incorporated in England and Wales with company number 13340672;  |
| <b>"Topco Shareholders' Agreement"</b> | the shareholders' agreement to be entered into by the holders of securities of Topco;  |
| <b>"UK" or "United Kingdom"</b>        | the United Kingdom of Great Britain and Northern Ireland;  |
| <b>"US" or "United States"</b>         | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;   |
| <b>"US Exchange Act"</b>               | US Securities Exchange Act of 1934 (as amended), and the rules and regulations promulgated thereunder;   |
| <b>"US Securities Act"</b>             | US Securities Act of 1933 (as amended), and the rules and regulations promulgated thereunder;  |
| <b>"Wider Bidco Group"</b>             | Bidco and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and/or such subsidiaries or undertakings (aggregating their interests) have a Significant Interest; and   |
| <b>"Wider Proactis Group"</b>          | Proactis and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Proactis and/or such subsidiaries or undertakings (aggregating their interests) have a Significant Interest. |

For the purposes of this announcement:

- **"subsidiary", "subsidiary undertaking" and "undertaking"** have the respective meanings given by the Companies Act 2006 and **"associated undertaking"** has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (other than paragraph 19(1) (b) of Schedule 6 to those Regulations which shall be excluded for this purpose);
- all references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to

time and all statutory instruments, regulations and orders from time to time made thereunder or validly deriving therefrom;

- all references to time are to London time unless otherwise stated;
- all references to "**£**" and "**pence**" are to the lawful currency of the United Kingdom;
- all references to "**EUR**" are to the lawful currency of the European Union;
- all references to "**\$**" are to the lawful currency of the United States; and
- references to the singular include the plural and vice versa.