

20 December 2021

Numis Corporation plc

Annual Report and Notice of Annual General Meeting

Numis Corporation plc (the "Company") announces that it has today posted the following documents onto its website www.numis.com:

1. Annual Report and Accounts for the year ended 30 September 2021
2. Notice of the Annual General Meeting ("AGM") to be held on Tuesday 8 February 2022

Hard copies of these documents have been printed and should be received during the week of 20 December 2021 by those shareholders who have specifically requested that hard copies are posted to them. Anyone who would like to request a hard copy of the documents once they have been printed should email: investor_relations@numis.com. At the present time, it is expected that UK Government rules and advice relating to the COVID-19 pandemic will permit a physical meeting to be held, but this may be subject to change at short notice.

Explanation in relation to historic dividends and buybacks

In addition to the routine business proposed at the AGM, the Notice of AGM contains a special resolution in connection with the payment of historic dividends of the Company which were not compliant with the technical requirements of the Companies Act 2006 (the "Act"). As announced on 7 May 2021, the Board has become aware of certain issues in respect of the payment of historical dividends over the period between February 2007 to February 2021 (together, the "Relevant Dividends"). The total aggregate amount of the Relevant Dividends is approximately £111.8 million. These issues resulted in each of the Relevant Dividends being made otherwise than in accordance with the Act.

At the time the Company made the Relevant Dividends, it did not have sufficient distributable profits. There were sufficient distributable profits within the Group as a whole, but the assessments made in calculating the amount of profits that were required to be remitted to the Company in order to create sufficient distributable profits were incorrect. This led to insufficient distributable profits in the Company at those times. Accordingly, the Relevant Dividends were, regrettably, made by the Company otherwise than in accordance with the Act. The Group's current and historical capital positions are unaffected.

The Company has been advised that, as a consequence of each of the Relevant Dividends having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Relevant Dividends to recover the amount paid by way of the dividends. Similarly, the Company has also been advised that it may have claims against persons who were directors at the time of payment of each of the Relevant Dividends (the "Relevant Directors"). It is not the intention of the Company that any such claims should be made by the Company against either its shareholders or its past or present directors.

In order to: (i) remedy the potential consequences of the Relevant Dividends having been made by the Company otherwise than in accordance with the Act; and (ii) put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Dividends been made in accordance with the requirements of the Act, the Company is proposing resolution 12, which is proposed as a special resolution to:

- a) authorise and confirm the appropriation of the relevant distributable profits of the Company to the payment of each of the Relevant Dividends;
- b) waive and release those shareholders who appeared on the register of members on the record date for each of the Relevant Dividends from any and all claims which the Company has or may have in respect of the payment of each of the Relevant Dividends, such waiver and release to be effected by way of the entry by the Company into a shareholders' deed of release (the "Shareholders' Deed of Release"); and
- c) waive and release any rights of the Company to make claims against the Relevant Directors in respect of each of the Relevant Dividends, such waiver and release to be effected by way of the entry by the Company into a directors' deed of release (the "Directors' Deed of Release", and together with the Shareholders' Deed of Release, the "Deeds of Release").

The approach that the Company is proposing by way of resolution 12 in respect of the Relevant Dividends is consistent with the approach taken by other listed companies that have, similarly, made such distributions otherwise than in accordance with the Act. The Board has taken steps to ensure that, in future, the issues referred to in this announcement and the Notice of AGM do not arise in relation to the payment of dividends.

In addition, resolution 13 seeks shareholder approval for the cancellation of 10,671,088 ordinary shares as part of a Court-approved reduction of capital process (the "Reduction of Capital"). If resolution 13 is passed, the Company shall apply to the Court for an order to confirm the Reduction of Capital and those ordinary shares shall be cancelled. It is anticipated that, if approved by shareholders, the Reduction of Capital will be completed by the end of March 2022.

The Reduction of Capital is proposed as a result of technical issues affecting certain purchases of ordinary shares made by the Company between June 2013 and February 2021 (the "Buybacks"). In accordance with the Act, the Company intended to fund the Buybacks from distributable profits, rather than the proceeds of a fresh issue of shares. However, the Buybacks were undertaken at times when the Company had insufficient distributable reserves, for the reasons set out above. Resolution 13 intends to put the Company and the shareholders in the position that would have arisen if the Buybacks were undertaken as intended and the shares bought back were cancelled. Further details in respect of the Buybacks are set out in the Notice of AGM.

Related Party Transaction

The entry by the Company into the Deeds of Release and consequential waiver of any rights of the Company to make claims in respect of the Relevant Dividends constitutes a related party transaction pursuant to Rule 13 of the AIM Rules for Companies (the "AIM Rules"), in respect of (a) Aktieselskabet af 1.3.2017 (being a shareholder who is currently interested in more than 10 per cent. of the total voting rights to be cast at the AGM, the "Substantial Shareholder"); and (b) each of the directors of the Company as at the date of this announcement (the "Directors").

In lieu of any independent directors' recommendation due to all Directors being in office at the time some of the Relevant Dividends were proposed and paid, Grant Thornton UK LLP, in its capacity as Nominated Adviser to the Company for the purposes of the AIM Rules, considers that the entry by the Company into (a) the Shareholders' Deed of Release as it relates to the Substantial Shareholder, and (b) the Directors' Deed of Release as it relates to the Directors, to be fair and reasonable insofar as the shareholders of the Company are concerned.

The votes of each of the Directors and their respective associates and those of former directors shall not be taken into account in establishing whether the majority necessary for the passing of resolution 12 has been obtained. The Directors have undertaken to abstain, and to take all reasonable steps to ensure that their respective associates abstain, from voting on resolution 12.

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