

# xpfactory<sub>plc</sub>



**ANNUAL GENERAL MEETING  
26 June 2023**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt as to the action you should take, you are recommended to immediately seek your own advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in XP Factory plc, please send this document and the accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

**XP Factory plc  
Belmont House  
Station Way  
Crawley, England  
RH10 1JA**

**2 June 2023**

Dear Shareholder,

I am pleased to send you details of the forthcoming annual general meeting ("AGM") of XP Factory plc ("Company"), together with the annual report and accounts for the financial year ended 31 December 2022.

Shareholders intending to attend the Annual General Meeting are asked to register their intention as soon as practicable (and the Company strongly encourages them to advise the Company at least 48 hours in advance of the meeting) by emailing the Company Secretary at [joanne@xpfactory.com](mailto:joanne@xpfactory.com).

The AGM will be held on 26 June 2023 at 2.00 p.m. at the offices of Singer Capital Markets, One Bartholomew Lane, London EC2N 2AX. The AGM Notice is set out on page 5 of this document.

Whether you are planning to attend the meeting or not, we encourage all shareholders to vote via [www.signalshares.com](http://www.signalshares.com) appointing the Chair of the meeting as their proxy. This will ensure that your vote will be counted if ultimately you (or any other proxy you might otherwise appoint) are not able to attend the meeting. If you prefer a paper proxy card these are available upon request from our registrar, Link Group. Please note the deadline for the receipt of proxies by our registrar, Link Group, is 2.00 p.m. on 22 June 2023. Proxy appointments should be submitted in accordance with the Notes to the AGM Notice on pages 8, 9 and 10.

All resolutions at the AGM will be decided on a poll.

A copy of this document is available on the Company's website at [www.xpfactory.com/investors/](http://www.xpfactory.com/investors/). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

The following documents are enclosed with this letter:

- Notice of AGM
- Report and Accounts

**Action to be taken**

You are requested to complete and return the Form of Proxy in accordance with the instructions printed on it so that it arrives no later than 2.00 p.m. on 22 June 2023.

**Recommendation**

The Board considers the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that you vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings. In making this recommendation, any Director who is standing for reappointment abstains in relation to the resolution for his own reappointment.

Yours sincerely

**Richard Rose  
Chairman**

## **Resolutions to be proposed at the AGM**

Set out below is an explanation of the resolutions set out in the Notice of AGM.

### ***Resolution 1 – to receive the annual report and accounts – ordinary resolution***

The Chairman will present the Annual Report and Accounts for the year ended 31 December 2022 to the annual general meeting. A copy of the Annual Report and Accounts accompanies this notice to shareholders.

### ***Resolutions 2 and 3 – appointment of auditors and auditors’ remuneration – ordinary resolutions***

Resolution 2 relates to the appointment of HW Fisher LLP as auditors of the Company to hold office until the next general meeting of the Company at which accounts are laid, expected to be the next annual general meeting of the Company.

Resolution 3 authorises the Directors to set the remuneration of the Company’s auditors.

### ***Resolutions 4 – 8 – reappointment of Directors – ordinary resolutions***

In line with best practice, all of the Directors will retire and be proposed for re-election at the annual general meeting. Resolutions 4 – 7 seek your approval to re-elect these individuals as Directors of the Company.

All of the Directors have indicated their willingness to offer themselves for re-election. The Board, having considered the mix of skills, knowledge and experience of each of the Directors, confirms that each Director continues to perform his or her duties effectively, showing integrity and high ethical standards whilst maintaining sound, independent judgement in respect of all decisions taken at both Board and, where applicable, Board Committee level to ensure the Company’s long term sustainable success.

### ***Resolution 9 – authority to allot consideration shares – ordinary resolution***

The Companies Act 2006 provides that Directors shall only allot shares with the authority of shareholders in general meeting. The authority given to the Directors at the last annual general meeting to allot (or issue) shares pursuant to section 551 of the Companies Act 2006 expires on the date of this year’s annual general meeting.

Resolution 8 will be proposed as an ordinary resolution for the renewal of the Directors’ general authority to issue shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £627,638.25 representing approximately one third of the current issued share capital of the Company (excluding treasury shares). In addition, the resolution seeks authority for the Directors to allot shares by way of a pre-emptive rights issue up to an aggregate nominal amount of £627,638.25 representing a further one third of the current issued share capital of the Company (excluding treasury shares). The Directors have no present intention of exercising either of these authorities.

### ***Resolutions 10 and 11 – disapplication of pre-emption rights – special resolutions***

The Companies Act 2006 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders’ holdings, unless such provisions are disapplied under section 570 of the Companies Act 2006.

Resolution 10 will be proposed as a special resolution for the renewal of the Directors’ authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 561(1) of the Companies Act 2006, and authorises other allotments of shares up to a maximum aggregate nominal amount of £188,291.48, representing approximately 10 per cent. of the current issued ordinary share capital of the Company with a further disapplication of up to 2 per cent. of current issued ordinary share capital of the Company to be used for the purposes of a follow on acquisition. The Directors have no present intention of exercising this authority.

Resolution 11 will be proposed as a special resolution. It will, in addition to any authority granted pursuant to resolution 10 above, give the Directors authority to allot equity securities free of pre-emption rights, up to a nominal value of £188,291.48, representing an additional 10 per cent. of the issued share capital, for transactions which the Board determines to be an acquisition or other specified capital investment, with a further disapplication of up to 2 per cent. of current issued ordinary share capital of the Company to be used for the purposes of a follow on acquisition.

The disapplication authority proposed by resolutions 9 and 10 is in line with institutional shareholder guidance and, in particular, with the Pre-Emption Group’s Statement of Principles on Disapplying Pre-Emption Rights of 2022 (the “Pre-Emption Principles”). The Board confirms, in accordance with the Pre-Emption Principles

that, to the extent that the authority in resolution 11 is used for an issue of ordinary shares in addition to the amount referred to at paragraph (ii) of resolution 10, it intends that it will only be used in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding twelve-month period and is disclosed in the announcement of the issue.

To reflect best practice, as set out in the Pre-Emption Principles, resolutions 10 and 11 are proposed as two separate resolutions and are based on the template resolutions published by the Pre-Emption Group.

The authorities granted under resolutions 8, 9 and 10 will expire at the next annual general meeting, or, if earlier, at the close of business on the date falling 15 months after the date of the annual general meeting.

#### ***Resolution 12 – purchase of own shares – special resolution***

Resolution 12 will be proposed as a special resolution for the renewal of the Company's authority to purchase its own shares in the market during the period until the next annual general meeting of the Company for up to 15,063,318 Ordinary Shares, representing approximately 10 per cent. of the issued ordinary share capital of the Company. The price payable shall not be more than 5 per cent. above the average of the middle market quotation for ordinary shares as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange for the 5 business days before the purchase is made and in any event not more than the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venue where the purchase was carried out and not less than 1.25p per share, being the nominal value of the shares.

This power will only be used if the Directors consider that to do so would be in the best interests of shareholders generally. Save to the extent purchased pursuant to the regulations concerning treasury shares, any Ordinary Shares purchased in this way will be cancelled and the number of shares in issue will be accordingly reduced. The Company may hold in treasury any of its own Ordinary Shares that it purchases pursuant to the relevant regulations and the authority conferred by this resolution. This would give the Company the ability to re-issue treasury shares quickly and cost effectively and would provide the Company with greater flexibility in the management of its capital base.

As at 1 June 2023 (the last practicable date prior to the publication of this document) options to subscribe for a total of 16,700,000 Ordinary Shares were outstanding under the Company's 2020 EMI Scheme representing 11.09 per cent of the issued share capital of the Company (excluding treasury shares) at that date and 12.32 per cent of the issued share capital of the Company (excluding treasury shares) if the authority sought by this resolution were to be exercised in full.

#### ***Resolution 13 – disapplication of pre-emption rights re consideration shares – special resolution***

Resolution 12 will be proposed as ordinary special resolution to waive statutory pre-emption rights with respect to the consideration shares in connection with the Acquisition of Boom Battle Bars to the extent they have not yet been allotted.

#### ***Resolution 14 – holding general meetings on 14 days' notice – special resolution***

The Companies Act 2006 provides that the notice period for general meetings for traded companies is 21 clear days unless shareholders approve a shorter notice period, which cannot be less than 14 clear days. The Company is not a traded company pursuant to the Companies Act 2006. However, it has chosen to put resolution 13 to shareholders to comply with the UK Corporate Governance Code and best practice.

Resolution 14 will be proposed as a special resolution to authorise the calling of general meetings of the Company (other than an annual general meeting) on not less than 14 clear days' notice.

The authority granted by this resolution 14 (if passed) will be effective until the next annual general meeting of the Company. It is the Directors' intention not to call a general meeting on less than 14 working days' notice unless there is a need for urgency and the shorter notice period is not intended to be used as a matter of routine.

## XP FACTORY PLC

(Registered in England and Wales with number 10184316)

**("Company")**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at 2.00 p.m. on 26 June 2023 at the offices of Singer Capital Markets, One Bartholomew Lane, London EC2N 2AX for the following purposes:

#### Ordinary Business

1. To receive and adopt the accounts for the year ended 31 December 2022, together with the Reports of the Directors and of the Auditors thereon.
2. To appoint HW Fisher LLP as auditors to the Company, to hold office until the end of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditors of the Company.
4. To re-elect Richard Harpham, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
5. To re-elect Richard Rose, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
6. To re-elect Graham Bird, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
7. To re-elect Martin Shuker, who is retiring by rotation in accordance with the Company's articles of association, as a Director.
8. To re-elect Philip Shepherd, who is retiring by rotation in accordance with the Company's articles of association, as a Director.

To transact any other ordinary business of the Company.

#### Special Business

As special business, to consider and if thought fit pass the following resolutions which will be proposed as to resolution 9 as an ordinary resolution and as to resolutions 10, 11, 12 and 13 as special resolutions:

9. (i) THAT, subject to and in accordance with Article 7 of the Articles of Association of the Company, the board be and it is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (in substitution for any existing authority to allot shares) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £627,638.25 provided that such authority shall expire at the end of the next annual general meeting of the Company after the passing of this resolution (or, if earlier, at the close of business on 26 September 2023), save that the Company may, before such expiry, make an offer or agreement which would or might require such shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry, and the board may allot shares and grant rights to subscribe or convert securities into shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired, and further,
- (ii) THAT, the board be and it is hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the said Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £627,638.25 provided that this authority shall expire at the end of the next annual general meeting of the Company after the passing of this resolution (or, if earlier at the close of business on 26 September 2023), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

10. THAT, if resolution 9 is passed and in accordance with Article 7 of the Articles of Association of the Company, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited:

- (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;
- (ii) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (ii) above) up to a nominal amount of £188,291.48; and
- (iii) to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) or paragraph (ii) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (ii) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 26 September 2023 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

11. THAT, if resolution 9 is passed and in accordance with Article 7 of the Articles of Association of the Company, the Board be authorised in addition to any authority granted under resolution 10 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £188,291.48 such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board of the Company determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice; and
- (ii) limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (i) above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph (i) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 26 September 2023 but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

12. THAT the Company be generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006, to make market purchases (as defined in section 693(4) of the Companies Act 2006) of up to 15,063,318 Ordinary Shares of 1.25p each in the capital of the Company (being approximately 10 per cent of the current issued ordinary share capital of the Company) on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

- (i) the amount paid for each share (exclusive of expenses) shall not be more than the higher of (1) five per cent above the average of the middle market quotation for the five business days before the date on which the contract for the purchase is made, and (2) an amount equal to the higher of

the price of the last independent trade and highest current independent bid as derived from the trading venue where the purchase was carried out or less than 1.25p per share; and

- (ii) the authority herein contained shall expire at the end of the annual general meeting of the Company to be held in 2023 or on 26 September 2023, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred had not expired.

- 13. THAT a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

Dated: 2 June 2023  
Registered Office:  
Belmont House  
Station WayS  
Crawley  
England RH10 1JA

By Order of the Board  
Joanne Briscoe  
Company Secretary

**Notes:**

1. We recommend that all shareholders appoint the Chair of the meeting as proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person.
2. The return of a completed proxy form will not prevent a member attending the Annual General Meeting and voting in person if the member wishes to do so.
3. Any member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to vote instead of the member.
4. You can appoint a proxy to vote your shares by:
  - 4.i.1 logging on to <http://www.signalshares.com/> and following the instructions;
  - 4.i.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below;
  - 4.i.3 If you need help with voting online, or require a paper proxy form, please contact our Registrar, Link Group, on + 44 (0)371 664 0300. Calls from the UK will be 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 09:00am – 5:30pm, Monday to Friday excluding public holidays in England and Wales in order for a proxy appointment to be valid a form of proxy must be completed. In each case the proxy must be received by Link Group by 2.00 p.m. on 22 June 2023.
5. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's Registrars, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting.
6. The right of members to vote at the annual general meeting is determined by reference to the register of members. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold shares in uncertificated form) must be entered on the Company's share register at 6:30 p.m. on 24 June 2023 in order to be entitled to attend and vote at the annual general meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
7. Copies of the service contracts and letters of appointment of each of the Directors will be available for inspection by members on request. Requests should be sent by email to [graham@xpfactory.com](mailto:graham@xpfactory.com).
8. Biographical details of each Director, including (where appropriate) their membership of Board committees, are set out on pages 32 and 33 of the accompanying report and accounts for the year ended 31 December 2022.
9. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by no later than 6:30pm on 24 June 2023. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Link (ID RA10) by 2.00 p.m. on 22 June 2023. For this purpose, the time of receipt will be taken to be the



time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.





