

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this Document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or transferred all your Ordinary Shares you should hand this Document, together with the accompanying form of proxy, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding in Ordinary Shares in the Company, you should retain these documents.

## **Kin Group Plc**

*(Incorporated and registered in England and Wales with No. 04466195)*

*Directors:*

Donald Stewart, *Chairman*  
Anna Gudmundson, *Chief Executive Officer*  
Richard Goodlad, *Chief Financial Officer*  
Dr Mark Ollila, *non-executive Director*  
Heidi Steiger, *non-executive Director*

*Registered Office:*

6th Floor  
Kildare House  
3 Dorset Rise  
London  
EC4Y 8EN

*To Shareholders and, for information purposes, to participants in the Company's share option schemes and to warrant holders*

27 October 2017

Dear Shareholder

**Consolidation of share capital  
and  
Notice of General Meeting**

**1. Introduction**

As previously announced, at the Creditors' Meeting held by correspondence at 23.59 on 23 October 2017, the Directors' Proposals for the Creditors' Voluntary Arrangement (the "CVA") were approved by creditors. On 24 October 2017 the Company's shareholders approved the CVA and the resolutions set out in the notice of Extraordinary General Meeting included in the Circular to Shareholders dated 5 October 2017 (the "Circular").

The Board believed these proposals (the "Proposals") were in the best interests of the Company and shareholders as a whole. In accordance with English law, the Board's primary considerations were to protect the interests of the Company's creditors, which it did through the terms of the CVA. However at the time the Circular was posted the Board made a positive decision not to consolidate the Company's ordinary shares in order to keep the number of shares held by existing shareholders constant. Given the competing interests of creditors and new investors, the Board believed this was the best course of action to preserve value for existing shareholders.

Prior to the allotment of shares pursuant to the CVA and the Placing the Company's shareholders comprise some 330 registered members holding 2,031,366,968 ordinary shares. Although, following the passing of the resolutions 3 and 4 at the EGM on 24 October, the nominal value of each ordinary share has been subdivided from 0.01p to 0.0001p, the number of shares held by the existing shareholders remained constant.

As announced on 26 October 2017, the Board has decided to withdraw the Company's application for the New Ordinary Shares to be allotted and issued credited as fully paid to Creditors pursuant to the CVA (the "CVA Capitalisation Shares") and the New Ordinary Shares to be issued by the Company pursuant to the placing (the "Placing Shares") to raise £1,000,000 (the "Placing") to be admitted to trading on AIM pending a consolidation of the Company's share capital.

The Directors recognise that having over 125 billion shares in issue might create market stability issues and have, consequently, decided to seek shareholders' authority to consolidate every 5,000 current ordinary share of 0.0001p into one New Ordinary Share with a nominal value of 0.5p each ("the Consolidation").

Notice convening a general meeting of the Company is set out at the end of this Circular, to consider the Consolidation, to be held at 10.00 a.m. on 13 November 2017 at the offices of Peterhouse Corporate Finance Limited at New Liverpool House, 15 Eldon Street, London EC2M 7LD.

As the Proposals are conditional on the lifting of the current suspension from trading on AIM and the admission to trading on AIM of the Placing Shares and the CVA Capitalisation Shares becoming effective in accordance with the AIM Rules ("Admission"), the Proposals are in effect now conditional upon the Consolidation being approved at the General Meeting to be held on 13 November 2017, notice of which is set out at the end of this Document (the "General Meeting").

**If the resolution set out in the notice of the General Meeting (the "Resolution") is not passed by Shareholders at the General Meeting, Admission will not become effective, and the Proposals will not proceed.**

The effect of the Consolidation upon the CVA and the Placing are described in paragraph 3 below.

## **2. Consolidation of share capital**

The Company's issued ordinary share capital currently consists of 2,031,366,968 Existing Ordinary Shares of 0.0001p each in the capital of the Company ("Existing Ordinary Shares"). It is proposed to consolidate every 5,000 of the Existing Ordinary Shares into one New Ordinary Share of 0.5p ("New Ordinary Share").

To effect the Consolidation, it will be necessary to issue a further 3,032 ordinary shares of 0.0001p to increase the number of Ordinary Shares in issue to 2,031,370,000 Ordinary Shares which is exactly divisible by 5,000.

Following the Consolidation (ignoring, for this purpose, the CVA Capitalisation Shares and the Placing Shares), there will be 406,274 New Ordinary Shares in issue. Holders of Existing Ordinary Shares ("Existing Shareholders") should note that while the numbers of shares held by them will change, the proportion of the issued ordinary shareholdings in the Company held by each Existing Shareholder immediately before and after the Consolidation will, except for fractional entitlements, be unchanged.

**Any Existing Shareholders holding fewer than 5,000 Existing Ordinary Shares at 6.00 p.m. on 13 November 2017 (or such later date as the Directors may determine and communicate to Shareholders by an appropriate announcement to a Regulatory Information Service) ("the Record Date") will cease to be a Shareholder of the Company. The value of 5,000 Existing Ordinary Shares at the price at which the Placing was effected is 5p.**

Existing Shareholders with a holding of more than 5,000 Existing Ordinary Shares, but which is not exactly divisible by 5,000, will have their holding rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements to a New Ordinary Share will be aggregated and sold in the market, for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions. As the net proceeds of sale will amount to less than £3 for any entitled Shareholder, they will (in accordance with usual market practice) be retained by the Company.

### **Share certificates**

New share certificates in relation to the New Ordinary Shares will be despatched to Shareholders who hold their New Ordinary Shares in certificated form by 22 November 2017. The new share certificates will be sent by first-class post, at the risk of the holders of relevant New Ordinary Shares, to the registered address of that holder or, in the case of joint holders, to the one whose name appears first in the register of members. On receipt of the new share certificates all Ordinary Share certificates previously issued will no longer be valid and should be destroyed. Until a holder of certificated Ordinary Shares receives a new share certificate, transfers of certificated Ordinary Shares will be certified against the register of members.

Shareholders whose holdings are held in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares.

## **3. Effect of the Consolidation on the Proposals**

Under the terms of the CVA, the amounts due to each of the Creditors were capitalised by the issue of such number of ordinary shares of 0.0001p, credited as fully paid up at 0.01p per share, as has a value equal to the amount of the debt for which they prove. The amount owed to Creditors stands at £2,302,002.94, which were capitalised into 23,020,029,400 ordinary shares of 0.0001p, issued

credited as fully up at 0.01p per share. Following the Consolidation, 4,604,006 ordinary shares of 0.5p will be issued to Creditors under the CVA, credited as fully paid up at 50p per share.

Under the Placing, Peterhouse has placed 100,000,000,000 ordinary shares of 0.0001p at a price of 0.001p per share to raise £1 million before expenses. One warrant was to be issued for every four Placing Shares issued, exercisable at a price of 0.004p per warrant at any time in the period of three years from Admission ("Placing Warrants"). Following the Consolidation, the Placing will comprise 20,000,000 ordinary shares of 0.5p issued at 5p per share, and 5,000,000 Placing Warrants will be issued on a 1 for 4 basis, exercisable at 20p per share for the period of three years from Admission.

It is anticipated that the Company will apply for Admission and the lifting of the suspension from trading of the existing ordinary shares to take place on or around 15 November 2017. In all other respects, the terms of the CVA and of the Placing will remain unchanged.

#### **4. General Meeting**

At the end of this document is a notice convening a General Meeting of the Company to be held at the offices of Peterhouse Corporate Finance Limited at New Liverpool House, 15 Eldon Street, London EC2M 7LD at 10.00 a.m. on 13 November 2017, at which a resolution to effect the Consolidation will be proposed as an ordinary resolution.

**Please note that unless the Resolution is passed, Admission will not become effective, and the Proposals will not proceed.**

#### **5. Action to be taken**

Shareholders will find a form of proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible. To be valid, forms of proxy must be received by the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than two business days before the time appointed for holding the General Meeting.

You are entitled to appoint a proxy to attend and to exercise all or any of your rights to vote and to speak at the meetings instead of you. Completion of the forms of proxy will not preclude you from attending and voting at the meetings in person if you so wish. Your attention is drawn to the notes to the forms of proxy.

#### **6. Recommendation**

**The Directors consider the Consolidation to be in the best interests of the Company and the Shareholders as a whole. The Directors therefore unanimously recommend that you vote in favour of the Resolution at the General Meeting. Undertakings to vote in favour of the resolution at the meetings have been received from Shareholders holding 584,400,000 Ordinary Shares representing approximately 28.67% of the current issued ordinary share capital.**

Yours faithfully,



Donald Stewart  
*Chairman*

## Kin Group Plc

(Registered in England No. 04466195)

### NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Peterhouse Corporate Finance Limited at 15 Eldon Street, London, EC2M 7LD at 10.00 a.m. on 13 November 2017, to consider and, if thought fit, to pass resolution 1 as an ordinary resolution:

### RESOLUTION

- 1 THAT, every 5,000 ordinary shares of 0.0001p each in the issued share capital of the Company be consolidated into one ordinary share of 0.5p each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the ordinary shares of 0.0001p each in the capital of the Company as set out in the Company's articles of association for the time being; and that (as no shareholder is entitled to a fraction of a share) the Directors be and are hereby authorised to arrange for the aggregation and sale of such fractional entitlements at the best price reasonably obtainable and to distribute the net proceeds to such shareholders (subject to a minimum entitlement of £3) and to retain the balance of the net proceeds of sale for the benefit of the Company.

Dated: 27 October 2017

*Registered Office:*

6th Floor  
Kildare House  
3 Dorset Rise  
London  
EC4Y 8EN

*By order of the Board*  
Filex Services Limited  
Secretary

### Notes:

- As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
- A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
- You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the enclosed proxy form.
- If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
  - completed and signed;
  - sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
  - received by no later than 10.00 a.m. on 9 November 2017.
 Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- To change your proxy appointment, simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
 

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, you may photocopy the enclosed proxy form.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- In order to revoke a proxy appointment you will need to inform the Company by sending a signed hard copy notice clearly stating that you revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 

The revocation notice must be received by no later than 10.00 a.m. on 9 November 2017.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person.

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those members registered in the register of members of the Company as at 6.00 p.m. on 9 November 2017 or, if this meeting is adjourned, at 6.00 p.m. on the date two business days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors 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 by means of CREST 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 instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Neville Registrars Limited (CREST Participant ID: 7RA11), no later than 48 business hours before the time appointed for the meeting. 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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 takes) 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.