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THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) or, if you are resident outside of the United Kingdom, from another appropriately authorised independent financial adviser. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should in particular carefully consider the section entitled “Risk Factors” set out in Part 2 of this document.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares on or before the Record Date, please send this document and accompanying Form of Proxy and (if relevant) Application Form as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. Such documents should not, however, be forwarded to or transmitted to or in the United States, Australia, New Zealand Canada, the Republic of South Africa or Japan (“**Restricted Jurisdiction**”) or any other jurisdiction outside of the UK where to do so may violate any legal or regulatory requirement. If you have sold only part of your holding of Ordinary Shares on or before the Record Date, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document and the accompanying (if relevant) Application Form to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Persons who are not resident in the United Kingdom should read paragraph 5 (“**Overseas Shareholders**”) in Part 4 of this document and should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction.

The maximum amount to be raised under the Open Offer shall be less than €8 million (or an equivalent amount in pounds sterling) and the Placing Shares will only be available to “qualified investors” for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Accordingly, this document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules and has not been, nor will be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body nor has it been approved for the purposes of section 21 of FSMA. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“**Admission**”). The New Ordinary Shares will not be admitted to trading on any other investment exchange. Subject to certain conditions being satisfied, it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM on 10 June 2021. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares.

AIM is a market designed for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The AIM Rules are less demanding than those of the Official List and AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration, and if appropriate, consultation with an authorised independent financial adviser.

STAFFLINE GROUP PLC

(incorporated and registered in England and Wales with registered number 05268636)

Proposed Placing of 87,249,500 New Ordinary Shares at 50 pence per Ordinary Share
Proposed Open Offer of up to 8,837,242 New Ordinary Shares at 50 pence per Ordinary Share
Proposed Subscription of 750,500 New Ordinary Shares at 50 pence per Ordinary Share
Proposed Debt Refinancing
and
Notice of General Meeting

The Directors and the Company accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document should be read as a whole. Your attention is drawn, in particular, to the letter from the Chairman set out in Part 1 of this document which provides details of the Fundraising and recommends that you vote in favour of all of the Resolutions to be proposed at the General Meeting referred to below and to the Risk Factors in Part 2 of this document.

Notice of a General Meeting of Staffline Group plc, to be held at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC1A 4HT on 9 June 2021 at 11.00 a.m., is set out at the end of this document. **Due to the COVID-19 pandemic and the Government’s measures to restrict travel and public gatherings currently in force, Shareholders (other than the two necessary to be present in person or by proxy to form a quorum) will not be able to attend and vote at the General Meeting in person and therefore all Shareholders are strongly requested to submit a Form of Proxy. Please see paragraph 9 of the letter from the Chairman set out in Part 1 of this document for further details.**

A Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out therein as soon as possible but in any event so as to reach the Company’s registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, by not later than 11.00 a.m. on

7 June 2021 (or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting). If you hold your Ordinary Shares in uncertificated form in CREST, you may appoint proxies by using the CREST electronic proxy appointment service in accordance with the procedures set out in the CREST Manual using CREST ID: 3RA50. The latest time by which an instruction must be validly entered through the CREST electronic proxy appointment service is 11.00 a.m. on 7 June 2021 (or, if the meeting is adjourned, not less than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting).

Qualifying non-CREST Shareholders will find an Application Form enclosed with this document. Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked “ex” the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time for application and payment in full under the Open Offer is 11.00 a.m. on 7 June 2021 and the procedure for application and payment is set out in Part 4 of this document.

Liberum Capital Limited (“**Liberum**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company as Nominated Adviser, Sole Bookrunner and Broker and no-one else in connection with the Fundraising. Liberum will not regard any other person (whether or not a recipient of this document) as a client in relation to the Fundraising and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Fundraising or any other matter referred to herein. Liberum has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Liberum nor does it make any representation or warranty, express or implied, for the accuracy of any information or opinion contained in this document or for the omission of any information. Liberum expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document. The responsibilities of Liberum as the Company’s Nominated Adviser and Broker under the AIM Rules and the AIM Rules for Nominated Advisers are owed to the London Stock Exchange solely and are not owed to Staffline Group plc or to any Director, Shareholder or any other person in respect of such Shareholder’s decision to acquire Ordinary Shares in reliance on any part of this document or otherwise.

This document is for information purposes only. The Existing Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the “**US Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and the New Ordinary Shares may not be offered or sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person with a registered address, or who is resident or located in, the United States, and there will be no public offer of New Ordinary Shares in the United States. Neither the Existing Ordinary Shares nor the New Ordinary Shares have been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, New Zealand, Canada, the Republic of South Africa or Japan. Accordingly, subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from Australia, New Zealand, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations or to or for the account or benefit of any national, resident or citizen of a Placing Restricted Jurisdiction.

This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in Restricted Jurisdiction and this document is not for distribution in, into or from a Restricted Jurisdiction.

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, none of the Company, Liberum nor their respective directors undertakes any obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Shareholders should not construe the contents of this document as legal, tax or financial advice, and should consult with their own advisers as to the matters described therein.

A copy of this document is available, subject to certain restrictions relating to persons resident in certain overseas jurisdictions, at the Company’s website www.stafflinegroupplc.co.uk/investor-relations/. Neither the content of any website referred to in this document nor any hyperlinks on such website is incorporated in, or forms part of, this document.

This document is dated 24 May 2021.

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KEY STATISTICS

Number of Existing Ordinary Shares in issue at the date of this document	68,930,486
Issue Price for each New Ordinary Share	50 pence

PLACING STATISTICS

Number of Placing Shares	87,249,500
Placing Shares as a percentage of Existing Ordinary Shares	126.6 per cent.
Number of Ordinary Shares in issue following Admission ¹	156,930,486
Placing Shares as a percentage of Enlarged Share Capital ¹	55.6 per cent.
Estimated proceeds of the Placing to be received by the Company net of expenses relating to the Placing	£39.6 million

SUBSCRIPTION STATISTICS

Number of Subscription Shares	750,500
Subscription Shares as a percentage of Existing Ordinary Shares	1.1 per cent.
Subscription Shares as a percentage of Enlarged Share Capital ¹	0.5 per cent.
Gross proceeds of the Subscription to be received by the Company	£0.4 million

OPEN OFFER STATISTICS

Maximum number of Open Offer Shares to be offered pursuant to the Open Offer	8,837,242
Open Offer Shares as a percentage of Existing Ordinary Shares ²	12.8 per cent.
Open Offer Shares as a percentage of Enlarged Share Capital ³	5.3 per cent.

OVERALL FUNDRAISING STATISTICS

Enlarged Share Capital immediately following completion of the Fundraising ³	165,767,728
New Ordinary Shares as a percentage of the Enlarged Share Capital ³	58.4 per cent.
Estimated gross proceeds of the Fundraising ³	£48.4 million
Market capitalisation at Issue Price immediately following completion of the Fundraising ³	£82,883,864
ISIN – Ordinary Shares	GB00B040L800
ISIN – Open Offer Basic Entitlements	GB00BLPJ4L79
ISIN – Open Offer Excess Entitlements	GB00BLPJ4M86

- (1) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares and excluding the impact from any issue of Open Offer Shares.
- (2) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares and full take up of the Open Offer.
- (3) Assuming no further issue of Ordinary Shares prior to the issue of the New Ordinary Shares, full take up of the Open Offer and taking into account the issuance of New Ordinary Shares pursuant to the Placing and the Subscription

EXPECTED TIMETABLE OF KEY EVENTS

Record Date for entitlements under the Open Offer	6.00 p.m. on 19 May 2021
Announcement of the proposed Fundraising	7.00 a.m. on 21 May 2021
Ex-entitlement Date of the Open Offer	8.00 a.m. on 21 May 2021
Announcement of the result of the Placing & Subscription	21 May 2021
Publication of this document, Form of Proxy and, to Qualifying Non-CREST Shareholders, the Application Form	24 May 2021
Open Offer Entitlements and Excess Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	as soon as practical after 8.00 a.m. on 24 May 2021
Latest recommended time and date for requesting withdrawal of Open Offer Entitlements and Excess Entitlements from CREST	4.30 p.m. on 1 June 2021
Latest time and date for depositing Open Offer Entitlements and Excess Entitlements into CREST	3.00 p.m. on 2 June 2021
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 3 June 2021
Latest time for receipt of CREST proxy instructions and CREST voting instructions	11.00 a.m. on 7 June 2021
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 7 June 2021
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 7 June 2021
General Meeting	11.00 a.m. on 9 June 2021
Announcement of the results of the General Meeting and Open Offer	9 June 2021
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 10 June 2021
Expected despatch of definitive share certificates for the New Ordinary Shares in certificated form	within 5 Business Days of Admission

- (1) Each of the times and dates in the above timetable is indicative and subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement on a Regulatory Information Service.
- (2) All of the above times, and other time references in this document, refer to UK time.
- (3) All events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“Admission”	means admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, as published by the London Stock Exchange from time to time
“Applicant”	a Qualifying Shareholder or a person by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer
“Application Form”	the application form relating to the Open Offer and enclosed with this document for use by Qualifying non-CREST Shareholders
“Basic Entitlement(s)”	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer as described in Part 4 of this document
“Board” or “Directors”	the board of directors of the Company, whose names are set out at page 11 of this document
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
“CCSS”	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
“certificated or in certificated form”	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
“City Code”	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers in the UK
“Company” or “Staffline”	Staffline Group plc, a company incorporated in England and Wales with registered number 05268636
“Computershare”	Computershare Investor Services PLC
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)
“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)

“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001-No. 3775), as amended
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member (which includes all CREST Personal Members)
“Debt Refinancing”	the proposed refinancing of the Existing Facilities with the New Facilities
“Directors” or “Board”	the board of directors of the Company, whose names are set out at page 11 of this document
“Enlarged Share Capital”	the issued share capital of the Company following Admission, as enlarged by the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Ex-entitlement Date”	the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer being 21 May 2021
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Basic Entitlement in accordance with the terms and conditions of the Open Offer
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Qualifying CREST Shareholder’s account in CREST, pursuant to the Excess Application Facility, which is conditional on the Qualifying CREST Shareholder taking up their Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of this document
“Excess Entitlement(s)”	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer as described in Part 4 of this document
“Excess Shares”	the Open Offer Shares for which Qualifying Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
“Existing Facilities”	the Group’s existing three separate financing facilities totalling £113 million, being a £20 million revolving credit facility, a £68 million receivables finance facility, a £25 million non-recourse receivables facility
“Existing Ordinary Shares”	the 68,930,486 Ordinary Shares in issue at the date of this document
“FCA”	the Financial Conduct Authority
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this document

“FSMA”	Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together, the Placing, Open Offer and Subscription
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 9 June 2021 at which the Resolutions will be proposed, notice of which is set out at the end of this document
“Group”	the Company and its Subsidiaries
“ISIN”	International Securities Identification Number
“Issue Price”	50 pence per New Ordinary Share
“Liberum” or “Broker and Nominated Advisor”	Liberum Capital Limited, the Company’s Sole Bookrunner, Nominated Adviser and Broker
“London Stock Exchange”	London Stock Exchange plc
“Member account ID”	the identification code or number attached to any member account in CREST
“Money Laundering Regulations”	means the UK anti-money laundering regime requirements as are set out in the Proceeds of Crime Act 2002 (POCA) (as amended by the Serious Organised Crime and Police Act 2005 (SOCPA)), the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) and the Terrorism Act 2000 (TA 2000) (as amended by the Anti-Terrorism, Crime and Security Act 2001 (ATCSA 2001) and the Terrorism Act 2006 (TA 2006))
“New Facilities”	the new receivables finance facilities of £90 million, in aggregate, and an accordion option of up to a further £15 million, available to the Group from ABN AMRO Bank, RBS Invoice Finance and Leumi ABL, subject to the Group satisfying certain conditions precedent
“New Ordinary Shares”	up to 96,837,242 new Ordinary Shares to be issued pursuant to the Fundraising (being the Placing Shares, the Open Offer Shares and the Subscription Shares)
“Notice of General Meeting”	the notice of General Meeting set out at the end of this document
“Official List”	the Official List of the FCA
“Open Offer”	the conditional invitation to Qualifying Shareholders by the Company to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document and, in the case of Qualifying non-CREST Shareholders, in the Application Form
“Open Offer Entitlements”	the individual entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Open Offer
“Open Offer Shares”	up to 8,837,242 New Ordinary Shares to be issued pursuant to the Open Offer
“Ordinary Shares”	the ordinary shares of 10 pence each in the share capital of the Company

“Overseas Shareholders”	Shareholders with registered addresses, or who are citizens or residents of, or incorporated outside of the United Kingdom
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placees”	any person who has agreed to subscribe for Placing Shares
“Placing”	the proposed placing by the Company of the Placing Shares at the Issue Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 21 May 2021 between the Company and Liberum in connection with the Fundraising, further details of which are set out in paragraph 6 of Part I of this document
“Placing Shares”	up to 87,249,500 New Ordinary Shares to be conditionally placed with Placees by Liberum in accordance with the terms of the Placing Agreement
“Prospectus Regulation”	regulation (EU) No. 2017/1129 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made by the FCA under section 73A of FSMA
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Ex-entitlement Date that are not Restricted Shareholders
“Receiving Agent”	Computershare Investor Services PLC
“Record Date”	19 May 2021
“Registrar”	Computershare Investor Services PLC
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Resolutions”	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
“Restricted Jurisdictions”	any of the following: the United States, Australia, New Zealand, Canada, Japan, the Republic of South Africa or any other jurisdiction where the mailing of this document or the Application Form in, into or from such jurisdiction would constitute a violation of the laws of such jurisdiction

“Restricted Shareholder”	a Shareholder who is a resident in, or a citizen or national of, a Restricted Jurisdiction
“Securities Act”	the United States Securities Act of 1933 as amended
“Shareholder”	a holder of Ordinary Shares
“Subscription”	the subscription for the Subscription Shares in accordance with the Subscription Letters by certain Directors and employees of the Company at the Issue Price as described in this document
“Subscription Letters”	the subscription letters entered into between the Company certain Directors and employees of the Company on 21 May 2021
“Subscription Shares”	up to 750,500 New Ordinary Shares to be conditionally subscribed for in accordance with the terms of the Subscription Letters
“Subsidiary”	has the meaning given to it in section 1159 of the Act
“Transaction”	together, the Fundraising and Debt Refinancing
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated or in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US or United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USE”	unmatched stock event

DIRECTORS, SECRETARY AND ADVISERS

Directors	Ian Lawson (<i>Non-Executive Chairman</i>) Albert Ellis (<i>Chief Executive Officer</i>) Daniel Quint (<i>Chief Financial Officer</i>) Catherine Lynch (<i>Non-Executive Director</i>) Ian Starkey (<i>Non-Executive Director</i>) Richard Thomson (<i>Non-Executive Director</i>)
Company Secretary	Louise Barber
Registered office	19-20 The Triangle NG2 Business Park Nottingham, NG2 1AE
Company website	www.stafflinegroupplc.co.uk
Nominated Adviser and Broker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY
Financial Adviser	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Legal advisers to the Company	DLA Piper UK LLP 160 Aldersgate Street, London EC1A 4HT
Debt adviser to the Company	KPMG LLP 15 Canada Square London E14 5GL
Legal advisers to the Broker and Nominated Adviser	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZY
Receiving Agent	Computershare Investor Services PLC Corporate Actions Projects Bristol BS99 6AH
Auditors to the Company	Grant Thornton UK LLP 30 Finsbury Square London EC1A 4HT
PR	Vigo Communications Limited Sackville House, 40 Piccadilly London W1J 0DR

PART 1

LETTER FROM THE CHAIRMAN

STAFFLINE GROUP PLC

(incorporated in England and Wales with registered number 05268636)

Directors:

Ian Lawson (*Non-Executive Chairman*)
Albert Ellis (*Chief Executive Officer*)
Daniel Quint (*Chief Financial Officer*)
Catherine Lynch (*Non-Executive Director*)
Ian Starkey (*Non-Executive Director*)
Richard Thomson (*Non-Executive Director*)

Registered Office:

19-20 The Triangle
NG2 Business Park
Nottingham, NG2 1AE

24 May 2021

Dear Shareholder

**Placing of 87,249,500 New Ordinary Shares at 50 pence per Ordinary Share,
Open Offer of up to 8,837,242 New Ordinary Shares at 50 pence per Ordinary Share,
Subscription of 750,500 New Ordinary Shares at 50 pence per Ordinary Share
Proposed Debt Refinancing
and
Notice of General Meeting**

1. Introduction

On 21 May 2021, the Board announced a conditional Placing of 87,249,500 Placing Shares and a direct subscription for, in aggregate, 750,500 Subscription Shares, each at a price of 50 pence per share, raising a total of £44 million (before expenses).

Certain Directors and employees of the Group are subscribing for, in aggregate, c.£0.5 million of Placing Shares and Subscription Shares.

In addition, in order to provide Qualifying Shareholders with the opportunity to participate in the Fundraising, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 8,837,242 Open Offer Shares, to raise up to £4.4 million (before expenses), on the basis of 10 Open Offer Share for every 78 Existing Ordinary Shares held on the Record Date, at 50 pence per share. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

The Placing, Subscription and, if fully subscribed, the Open Offer (together being the Fundraising) will raise, in aggregate, gross proceeds of £48.4 million through the issue of up to 96,837,242 New Ordinary Shares. In the event the proceeds of the Placing and Subscription are not received in full by the Company, the Debt Refinancing (as detailed below) will not complete.

Liberum has conditionally agreed, pursuant to the terms of the Placing Agreement, to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing comprises 87,249,500 Placing Shares. The Placing Shares are not subject to clawback and are not part of the Open Offer.

The Placing, Subscription and Open Offer are conditional, *inter alia*, on the passing of the Resolutions by Shareholders at the General Meeting, which is being convened for 11.00 a.m. on 9 June 2021. Application will be made to the London Stock Exchange for Admission of the New Ordinary Shares. It is expected that Admission of the New Ordinary Shares will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 10 June 2021 (being the business day following the General Meeting).

If the conditions relating to the issue of the Placing Shares are not satisfied, or the Placing Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the related placing monies. In this scenario, the Open Offer, the Subscription and the Debt Refinancing will similarly not proceed.

The purpose of this document is to provide Shareholders with information regarding the Fundraising, and to convene a General Meeting at which the Resolutions seeking Shareholder authority for the issue of the New Ordinary Shares will be put to the Shareholders. If the Resolutions are not passed, the Company will be unable to issue the New Ordinary Shares and the Debt Refinancing will not proceed.

Further information about the Fundraising and the Company's current trading and prospects is set out below.

You will find set out at the end of this document the Notice of General Meeting, to be held at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC1A 4HT at 11.00 a.m. on 9 June 2021, at which the Resolutions will be proposed in the case of Resolution 1 as an ordinary resolution and in the case of Resolution 2 as a special resolution. Please see the important notice set out in paragraph 9 of this Part 1 concerning the implications that the COVID-19 pandemic will have on attendance at the General Meeting and the measures that the Company is putting in place in respect of the same

2. Background to and reasons for the Fundraising

The Group implemented a comprehensive restructuring and deep transformation programme in 2020. Significant progress has been made in improving and strengthening the Group's operational, financial and governance processes and Board composition. The Board is overseeing the implementation of a new organic growth strategy with a focus on gross profit (net fee income), operating profit and cash generation. The Group has tightened bid disciplines and is exiting contracts with low profitability and poor cash generation. A restructuring to right-size the Group led to annualised cost savings of c.£15 million, delivering a 19 per cent. reduction in 2020 compared to 2019, principally through headcount reduction and rationalising the Group's property estate. Within Recruitment Ireland, costs were reduced by 23 per cent. (c.£2.5 million). Rigorous management of working capital has generated c.£10 million of cash due to an increased focus on debt collection and overdue debtors, combined with a squeeze on capital spending. The non-core Apprenticeships business, which was also loss-making, was sold in December 2020 for a nominal consideration, as part of the Board's strategy to simplify its training division into two core services, employability and adult skills.

2020 was a challenging year due to COVID-19 and the Group faced mixed market demands across its divisions as the lockdown, commencing in March, affected customers in different ways. The COVID-19 pandemic created both opportunities and challenges across the Group and overall the businesses proved resilient. During the first lockdown, Staffline experienced strong demand for temporary recruitment from the food, driving, logistics and e-commerce sectors and, whilst subsequent lockdowns did not cause the significant spike in food customer demand seen in March 2020, volumes still remained high. Overall Group trading improved in the second half of 2020, with an increase in revenues and all three divisions returned to underlying operating profit, on a continuing basis, exceeding revised expectations.

The momentum in the second half of 2020 continued into 2021 and the Group made a strong start to the year, with revenue and underlying operating profit ahead of expectations for the first quarter despite the lockdowns implemented for the duration of the period across the UK and Ireland. The Group has continued to benefit from sustained demand from essential food and logistics services, as well as e-commerce. The Group is now also seeing increased activity from clients in some of those sectors most adversely impacted by COVID-19, such as manufacturing, high street retail and convenience foods. There is an increasingly positive market backdrop, with independent data showing that recruitment activity rebounded sharply in March 2021. In addition to the stronger recruitment pipeline, it is anticipated that the Group's training division will benefit from the increase in Government spending on re-skilling and transitioning the workforce back into full time employment. The Group plans to build on its market leading position in Northern Ireland over the next three years, entering the white-collar recruitment market whilst maintaining a strong focus on growth and operating profit.

The Group's pre-IFRS 16 average net debt in the first quarter of 2021 reduced by £14.5 million to £54.9 million (including deferred VAT) as a result of the initiatives implemented to generate additional

cashflow. The Group has benefited from a £46.5 million COVID-19 VAT deferral. This VAT creditor will be repaid in eight equal instalments of c.£5.8 million from June 2021 to January 2022. The first instalment will be reduced by a c.£4.1 million corporation tax refund.

Notwithstanding some uncertainty in relation to the pace of lockdown easing and recovery of certain sectors such as travel, the Board is confident in the outlook and believes that the Group is well positioned as a market leading recruitment and training business with a strong reputation for quality delivery. Its strategy is to capitalise on the Group's leadership position in blue collar recruitment whilst expanding higher margin permanent recruitment services and to cross sell employability and training into its blue-chip client base.

However, the Group has required additional funding, which has been provided by COVID-19 related VAT deferral relief from the period March to June 2020. This is now repayable and the Group is therefore carrying out the Fundraising and Debt Refinancing to meet this funding requirement. With the proposed strengthened capital structure in place, the Board believes that the Group would be in a strong position to take advantage of the increasing opportunities arising from improving business confidence and the wider COVID-19 economic recovery.

3. Current Trading and Prospects

The Company announced a trading update on 26 April 2021, in which the Board confirmed that the momentum achieved in the second half of 2020 had continued into 2021, and that Staffline had made a strong start to the year with all three divisions achieving an underlying operating profit for the first quarter of 2021. As a result of this strong performance, the Company confirmed that both revenue and underlying operating profit were expected to be ahead of expectations with all three businesses ahead of budget.

The Board is pleased with the progress achieved thus far in 2021 and is beginning to see the benefits of the continued easing of COVID-19 restrictions coupled with the UK's successful vaccination roll-out programme, leading to improving market conditions.

The Group continues to see a stronger recruitment pipeline developing, and it is anticipated that PeoplePlus will benefit from the incremental increase in Government spending on re-skilling and transitioning the national workforce back into employment, following the end of the furlough scheme.

The Company is currently negotiating certain contracts with prime Restart suppliers in relation to the Department of Work and Pensions' Restart programme. Whilst there can be no guarantees that any such contracts will be concluded, any resulting contracts will not impact the current financial year, but would positively impact revenue for the PeoplePlus division across 2022 and 2023.

Whilst there continues to be ongoing uncertainty relating to the pandemic, given the strength of Staffline's trading in the first quarter of 2021 and the clear momentum apparent across the Group's core markets, the Board remains confident in the overall outlook for the business.

Unaudited financials for the year ended 31 December 2020

Set out below are the summary unaudited financials for the year ended 31 December 2020. The full results for that year are expected to be published in June 2021.

	<i>FY2020</i>	<i>FY2019⁽³⁾</i>
	<i>£m</i>	<i>£m</i>
Revenue	927.6	1,063.0
Gross profit	74.6	87.5
Underlying operating profit	4.8 ⁽¹⁾	2.9
Underlying profit/(loss) after tax	3.4	(1.1)
Average net debt	(68.3) ⁽²⁾	(85.2)

(1) Underlying profit before goodwill impairment (£35.3 million), amortisation of acquired intangibles (£9.3 million), reorganisation costs and other non-underlying costs (£7.7 million)

(2) Presented on a pre-IFRS16 basis and adjusted to include £46.5 million of deferred VAT

(3) Numbers restated to exclude the results of the Apprenticeships business sold in December 2020 and the Poland subsidiaries, which are held for sale.

4. Use of Proceeds

The Placing and Subscription are expected to raise £44 million in gross proceeds (approximately £40 million net of costs of the Fundraising and Debt Refinancing). The Board intends to use the funds raised to reduce the indebtedness of the Group and to provide working capital for growth. All proceeds of the Open Offer will be used to further reduce indebtedness of the Group.

The Board believes that the Group is now well positioned, and that the Transaction will provide the platform for profitable, cash generative growth. The Group's leverage will ultimately reduce following the repayment of the deferred VAT creditor and as it delivers growth and generates further cash.

5. Proposed Debt Refinancing

The Debt Refinancing and Fundraising are being carried out in order to meet a forecast funding shortfall for the Group and to put in place what the Board believes to be more appropriate debt facilities with reduced ongoing Group borrowing costs. The Debt Refinancing and Fundraising are inter-conditional. In the event that the proceeds of the Placing and Subscription are not received in full by the Company, the Debt Refinancing will not complete.

The New Facilities agreement has been signed with three lenders (RBS Invoice Finance Limited, ABN AMRO Asset Based Finance N.V., UK Branch and Leumi ABL Limited), subject to the Group satisfying certain typical conditions precedent, in relation to committed full recourse receivables finance facilities of £90 million, in aggregate. In addition, the New Facilities provide an accordion option of up to a further £15 million for the Group if required to fund further growth, subject to lender approval. The New Facilities will be secured on all of the assets and undertakings of the Company and certain other members of the Group, providing liquidity which flexes with the Group's working capital requirements. Further, the Group will continue to have access to its existing and ongoing supplier financing arrangements in respect of specific customers, under which invoices are settled in advance of normal credit terms. As at 31 March 2021, £38.7 million of invoices had been settled under these arrangements.

The New Facilities have a four and a half year term, with a one year extension option. The Group will pay interest at 2.75 per cent. over SONIA, with a margin ratchet downwards dependent on the Group's leverage. The margin reduces from 2.75% at greater than 5x net debt to EBITDA, to 2.0 per cent. at less than or equal to 3x.

A termination fee is payable if the Company voluntarily cancels the New Facilities (or any part of them). If termination/cancellation occurs in the first 12 months, the fee would be 2 per cent. of the cancelled amount, the fee reduces to 1 per cent. in the second year and thereafter no fee is payable.

The New Facilities will repay the Existing Facilities comprising a revolving credit facility of £20 million and invoice finance facility of £68 million and will replace the current 'off balance sheet' non-recourse receivables purchase facility of £25 million. In conjunction with the Fundraising, the Debt Refinancing will provide significant headroom for the Group going forward against its forecast borrowing requirements. As mentioned above, the existing supplier financing arrangements will remain.

As at 31 March 2021 there was £20 million drawn down under the revolving credit facility, £19.3 million drawn down under the receivables finance facility and £18.4 million drawn down under the non-recourse receivables facility.

Under the terms of the New Facilities, the Group will be subject to a maximum net debt (averaged over a rolling three months) to EBITDA leverage covenant (initially tested on a monthly basis with a mechanism to move to quarterly testing after 31 December 2022 subject to EBITDA performance) commencing at 5.95x, followed by a gradual reduction to 4.0x by October 2023. The Group will also be subject to a minimum interest cover covenant of 2.25x the last twelve months EBITDA to finance charges.

6. Principal terms of the Fundraising

The Company has conditionally placed 87,249,500 Placing Shares through the Placing at 50 pence per Placing Share raising £43.6 million (before expenses). Alongside the Placing, certain Directors and

employees of the Group have conditionally agreed to subscribe for, in aggregate, 750,500 Subscription Shares at 50 pence each pursuant to the Subscription, raising a total of £0.4 million and the Company is making an Open Offer pursuant to which it may raise a further amount of up to £4.4 million (before expenses). The proposed Issue Price of 50 pence per Open Offer Share and Subscription Share is the same price as the price at which Placing Shares are being issued pursuant to the Placing.

Placing

Pursuant to the terms of the Placing Agreement, Liberum, as agent for the Company, has conditionally agreed to use reasonable endeavours to place the Placing Shares at the Issue Price.

The Placing is conditional, *inter alia*, on the following:

- (i) Resolutions 1 and 2 being passed at the General Meeting;
- (ii) the Placing Agreement not being terminated prior to Admission and becoming unconditional in all respects (save as they relate to Admission);
- (iii) the New Facilities agreements not being terminated prior to Admission and becoming unconditional in all respects (save as they relate to Admission, the completion of customary searches and the receipt of not less than £40 million of net proceeds of the Fundraising by the Group); and
- (iv) Admission of the Placing Shares having become effective on or before 8.00 a.m. on 10 June 2021 (or such later date and/or time as the Company and Liberum may agree, being no later than 4.30 p.m. on 17 June 2021).

Application will be made for the Placing Shares to be admitted to trading on AIM subject to the passing of the Resolutions at the General Meeting. It is expected that Admission will become effective on 10 June 2021 and that dealings for normal settlement in the Placing Shares (together with all other New Ordinary Shares which are issued pursuant to the Fundraising) will commence at 8.00 a.m. on 10 June 2021.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares and Subscription Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer and Subscription will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing and Subscription from completing.

Gresham House Asset Management and Henry Spain Investment Services are considered related parties of the Company pursuant to the AIM Rules, by virtue of holding in excess of 10 per cent. of the existing Ordinary Shares on the date of this document and, therefore, being substantial shareholders pursuant to the AIM Rules. Gresham House Asset Management and Henry Spain Investment Services are Placees in the Placing as set out below, which are, individually, related party transaction for the purposes of AIM Rule 13. The Directors, all of whom are considered independent of these transactions, having consulted with Liberum in its capacity as Nominated Adviser to the Company for the purposes of the AIM Rules considers that the participation by Gresham House Asset Management and Henry Spain Investment Services in the Placing is fair and reasonable insofar as Shareholders are concerned.

	<i>On the date of this document</i>		<i>On Admission</i>		
	<i>Number of existing Ordinary Shares</i>	<i>Percentage of existing Ordinary Shares</i>	<i>Number of Placing Shares</i>	<i>Number of Ordinary Shares⁽¹⁾</i>	<i>Percentage of Ordinary Shares⁽¹⁾</i>
<i>Placee</i>					
Gresham House Asset Management	8,013,995	11.6	9,000,000	17,013,995	10.3
Henry Spain Investment Services	14,750,000	21.4	6,000,000	20,750,000	12.5

- (1) Assuming such Placees do not participate in the Open Offer but there is otherwise full take up of all Open Offer Shares available under the Open Offer

Subscription

Certain Directors have conditionally agreed to subscribe for Subscription Shares as follows:

<i>Director</i>	<i>Number of Subscription Shares</i>	<i>Subscription amount (£)</i>
Ian Lawson (Chairman)	100,000	50,000
Albert Ellis (CEO)	320,000	160,000
Daniel Quint (CFO)	200,000	100,000
Total	620,000	£310,000

Two other Directors, being Catherine Lynch and Ian Starkey, are participating in the Placing as Placees, subscribing (via their brokers) for 10,000 Placing Shares and 50,000 Placing Shares, representing subscription amounts of £5,000 and £25,000, respectively. Two other employees of the Group are also participating in the Fundraising pursuant to the Placing and have agreed to subscribe (via their brokers) for 299,788 Placing Shares for £149,894 in aggregate.

In addition, certain other employees of the Group are also participating in the Subscription and are subscribing for 130,500 Subscription Shares, in aggregate, for £65,250 in aggregate.

In total, therefore, pursuant to the Fundraising the Directors and employees of the Group are subscribing for 1,110,288 New Ordinary Shares, representing £555,144 in aggregate.

Application will be made for the Subscription Shares to be admitted to trading on AIM subject to the passing of the Resolutions at the General Meeting. It is expected that Admission will become effective on 10 June 2021 and that dealings for normal settlement in the Subscription Shares will commence at 8.00 a.m. on 10 June 2021.

Following Admission (and assuming that the maximum number of Open Offer Shares are taken up under the Open Offer), those Directors' interests in Ordinary Shares will be as follows:

<i>Director</i>	<i>On the date of this document</i>		<i>On Admission</i>		
	<i>Number of existing Ordinary Shares</i>	<i>Percentage of existing Ordinary Shares</i>	<i>Number of New Ordinary Shares⁽¹⁾</i>	<i>Number of Ordinary Shares⁽¹⁾</i>	<i>Percentage of Ordinary Shares⁽²⁾</i>
Ian Lawson (<i>Chairman</i>)	131,577	0.19	100,000	231,577	0.14
Albert Ellis (<i>CEO</i>)	–	–	320,000	320,000	0.19
Daniel Quint (<i>CFO</i>)	25,320	0.04	200,000	225,320	0.14
Catherine Lynch (<i>NED</i>)	–	–	10,000	10,000	0.006
Ian Starkey (<i>NED</i>)	–	–	50,000	50,000	0.03
Total	156,897	0.23	680,000	836,897	0.51

(1) Whether participating through the Subscription or the Placing

(2) Assuming full take up of all Open Offer Shares available under the Open Offer

Open Offer

Subject to the fulfilment of the conditions set out below, Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional, *inter alia*, on the following:

- (i) Resolutions 1 and 2 being passed at the General Meeting;
- (ii) the Placing Agreement not being terminated prior to Admission of the Placing Shares and having become unconditional in all respects; and

- (iii) Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 10 June 2021 (or such later date and/or time as the Company and Liberum may agree, being no later than 17 June 2021).

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares and Subscription Shares but the Placing and Subscription Shares are not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer and Subscription will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing and Subscription from completing.

If these and the other conditions to the Open Offer are not satisfied or waived (where capable of waiver), the Open Offer will lapse and will not proceed and any applications made by Qualifying Shareholders will be rejected. In these circumstances, application monies received by the Receiving Agent in respect of Open Offer Shares will be returned (at the applicant's sole risk), without payment of interest, as soon as reasonably practicable thereafter. Lapsing of the Open Offer cannot occur after dealings in the Open Offer Shares have begun.

Basic Entitlement

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

10 Open Offer Shares for every 78 Existing Ordinary Shares held at the Record Date

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

Excess Entitlement

Qualifying Shareholders are also invited to apply for additional Open Offer Shares (up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer) as an Excess Entitlement. Any Open Offer Shares not issued to a Qualifying Shareholder pursuant to their Basic Entitlement will be apportioned between those Qualifying Shareholders who have applied for an Excess Entitlement at the sole and absolute discretion of the Board, provided that no Qualifying Shareholder shall be required to subscribe for more Open Offer Shares than he or she has specified on the Application Form or through CREST.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission of the Open Offer Shares. The Open Offer is not underwritten.

Qualifying Shareholders should note that the Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply for Open Offer Shares under the Open Offer.

Settlement and dealings

Application will be made for the Open Offer Shares to be admitted to trading on AIM subject to the passing of the Resolutions at the General Meeting. It is expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 10 June 2021 (being the business day following the General Meeting).

Overseas Shareholders

The Open Offer Shares have not been and are not intended to be registered or qualified for sale in any jurisdiction other than the United Kingdom. Accordingly, unless otherwise determined by the Company and effected by the Company in a lawful manner, the Application Form will not be sent to Shareholders

with registered addresses in, or who are resident or located in the United States or any other Restricted Jurisdiction since to do so would require compliance with the relevant securities laws of that jurisdiction. The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents or professional advisers to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents or professional advisers believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares outside the UK, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would not be in the UK.

Notwithstanding the foregoing and any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Part 4 of this document together with the accompanying Application Form, in the case of Qualifying non-CREST Shareholders, contains the terms and conditions of the Open Offer. If a Qualifying Shareholder does not wish to apply for Open Offer Shares he or she should not complete or return the Application Form or send a USE message through CREST.

Qualifying non-CREST Shareholders

If you are a Qualifying non-CREST Shareholder you will receive an Application Form, which accompanies this document and which gives details of your Basic Entitlement (as shown by the number of the Open Offer Shares allocated to you). If you wish to apply for Open Offer Shares under the Open Offer you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 1 of Part 4 of this document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, , so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 7 June 2021.

Qualifying CREST Shareholders

Application will be made for the Open Offer Entitlements of Qualifying CREST Shareholders to be credited to stock accounts in CREST. It is expected that the Open Offer Entitlements will be credited to stock accounts in CREST on 24 May 2021. Applications through the CREST system may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If you are a Qualifying CREST Shareholder, no Application Form is enclosed but you will receive credits to your appropriate stock account in CREST in respect of the Basic Entitlements to which you are entitled. You should refer to the procedure for application set out in paragraph 2 of Part 4 of this document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 7 June 2021.

7. General Meeting

The issue of the New Ordinary Shares is conditional upon, *inter alia*, the approval by the Shareholders of the Resolutions to be proposed at the General Meeting of the Company. A notice convening the General Meeting to be held at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC1A 4HT at 11.00 a.m. on 9 June 2021 is set out at the end of this document, at which the following Resolutions will be proposed to enable the issue of the New Ordinary Shares:

Resolution 1 – Authority to allot shares

Resolution 1 is an ordinary resolution to authorise the Directors under section 551 of the Act to issue and allot Ordinary Shares. The Act requires that the authority of Directors to allot shares and to make offers or agreements to allot shares in the Company or grant rights to subscribe for or convert any security into shares (the “**relevant securities**”) should be subject to the approval of Shareholders in a general meeting or to an authority set out in the Company’s articles of association. Accordingly, Resolution 1 will be proposed to authorise the Directors to allot relevant securities in respect of the

issue of the New Ordinary Shares. This authority will expire on the conclusion of the Company's next Annual General Meeting.

Resolution 2 – Disapplication of statutory pre-emption rights

Resolution 2 is a special resolution to disapply the statutory pre-emption rights under section 570 of the Act in respect of equity securities (as defined in section 560 of the Act). The Act requires that any equity securities issued wholly for cash must be offered to existing Shareholders in proportion to their existing shareholdings unless otherwise approved by Shareholders in a general meeting or accepted under the Company's articles of association. A special resolution will be proposed at the General Meeting to give the Directors authority to allot equity securities for cash other than on a *pro rata* basis pursuant to the issue of the New Ordinary Shares. This authority will expire on the conclusion of the Company's next Annual General Meeting.

8. Importance of your vote

The Resolutions must be passed by Shareholders at the General Meeting in order for the Transaction to proceed.

If Shareholders do not approve the Resolutions:

- (i) the Placing, the Subscription, the Open Offer and the Debt Refinancing cannot be implemented; and**
- (ii) the Group will not have sufficient liquidity under its Existing Facilities to meet its forecast funding requirements. In such circumstances the Board would seek to refinance its Existing Facilities but, based on current information available, the Board believes that it is unlikely to be able to do so without an equity raise or some other form of corporate action which it cannot be certain it would achieve.**

Accordingly, it is very important that Shareholders vote in favour of the Resolutions so that the Transaction can proceed (assuming that all other conditions are satisfied). HRnet Group, which holds 20,641,959 Existing Ordinary Shares (representing approximately 29.95% of the current issued share capital of the Company), has provided a non-binding letter of intent to the Company confirming its current intention to vote in favour of the Resolutions at the General Meeting in respect of all of its shares.

9. Action to be taken

In respect of the General Meeting

IMPORTANT NOTICE REGARDING COVID-19 GENERAL MEETING ARRANGEMENTS It is noted that notwithstanding the lifting of certain lockdown restrictions, the Government still has in force measures limiting the size of indoor public gatherings. This is particularly pertinent given the ongoing risk presented by the emerging COVID-19 variants. Accordingly, the Directors are exercising their discretion provided to them under the Company's Articles and the General Meeting will be restricted to two attendees (including the chairman of the General Meeting), both of whom will be Shareholders or a proxy for a Shareholder or Shareholder for the purposes of forming a quorum.

I, or anyone else acting as chairman of the General Meeting, have the power in law and under the Articles to secure the safety of the people attending the General Meeting. Therefore, any Shareholders who seeks to attend the General Meeting may be refused entry and I, or anyone else acting as chairman of the General Meeting, may adjourn the General Meeting because the attendance of any additional Shareholder above the number necessary to form a quorum may be unlawful under the Government's measures or otherwise put the health and safety of those in attendance at risk. Even with the Government's relaxed restrictions, the safety of persons attending the General Meeting is paramount and, if necessary, the Company may restrict attendance to safeguard the health of attendees. Please note that the General Meeting will be restricted to its formal business only. We will continue to monitor the fast-changing government guidance and provide any appropriate updates via a Regulatory Information Service and our website www.stafflinegroupplc.co.uk/investor-relations/. Shareholders are strongly encouraged to exercise their vote on the Resolutions by submitting a proxy appointment and giving voting instructions. At the General Meeting, the Resolutions will be put to a vote on a poll, rather than on a show of hands. This will result in a more accurate reflection of the views of Shareholders and to ensure that your proxy votes are recognised. Shareholders are invited to submit to me or the Company Secretary by email any questions they would

otherwise have asked at the General Meeting by emailing investors@staffline.co.uk. Such questions will be considered by the Board. The Company will respond to any relevant questions that are received, and may also, if the Board so determines, and subject to any regulatory restrictions, publish on our website a summary of responses to questions received.

Shareholders will find a Form of Proxy enclosed with this document for use at the General Meeting. In light of the closed nature of the General 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, completed Forms of Proxy must be received by the Company's Registrars, Computershare, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, by not later than 11.00 a.m. on 7 June 2021.

In respect of the Open Offer

Qualifying non-CREST Shareholders wishing to apply for Open Offer Shares or the Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 1 of Part 4 of this document and on the accompanying Application Form and return it with the appropriate payment by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, so as to arrive no later than 11.00 a.m. on 7 June 2021.

If you do not wish to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 2 of Part 4 of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 2 of Part 4 of this document by no later than 11.00 a.m. on 7 June 2021.

Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

10. Recommendation

The Board considers the Fundraising and the Debt Refinancing to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that you vote in favour of the Resolutions to be proposed at the General Meeting, as those Directors who hold Ordinary Shares intend to do in respect of their own beneficial holdings amounting, in aggregate, to 199,476 Ordinary Shares and representing approximately 0.29 per cent. of the Existing Ordinary Shares. If the Resolutions are not passed then the Company will be unable to issue the New Ordinary Shares and the Debt Refinancing will not proceed. In such circumstances the Board would seek to refinance its Existing Facilities but, based on current information available, the Board believes that it is unlikely to be able to do so without an equity raise or some other form of corporate action which it cannot be certain it would achieve.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions so that the Transaction can proceed (assuming that all other conditions are satisfied). HRnet Group, which holds 20,641,959 Existing Ordinary Shares (representing approximately 29.95% of the current issued share capital of the Company), has provided a non-binding letter of intent to the Company confirming its current intention to vote in favour of the Resolutions at the General Meeting in respect of all of its shares.

Yours faithfully,

Ian Lawson
Non-Executive Chairman

PART 2

RISK FACTORS

Investors should be aware of the risks associated with an investment in the Company. An investment in the Company may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser under FSMA, who specialises on advising on this type of investment, or, if you are in a country outside the United Kingdom, another appropriately authorised independent financial adviser.

Investors should carefully consider whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them.

Accordingly, when evaluating whether to invest in the Company, prospective investors should carefully consider the risks described below. If any of the following risks were to materialise, the Group's business, financial condition, results, prospects and/or future operations could be materially adversely affected. In such case, the market price of the Company's shares might decline and investors might lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company. No inference ought to be drawn from the order in which the following risk factors are presented as to their relative importance or potential effect.

References to the Company are also deemed to include, where appropriate, each member of the Group.

General Risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decision to invest.

Investment in the Company should not be regarded as short term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount initially invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

1. Risks relating to the Group's business

New Facilities

The Group currently relies on a combination of uncommitted receivables financing facilities and a revolving credit facility to fund its core working capital requirements. The proposed invoice discounting facility which will refinance the existing facilities provides the Group with a level of funding linked to its eligible debtors. The new facility is committed but there is always a risk that the level of funding made available may reduce if the value of eligible debtors falls (for example because the Group suffers a prolonged period of low sales, or a significant increase in debtor balances which are ineligible for funding) or if the Group's funders take steps to limit their exposure to particular categories of debt, or to particular debtors. In these eventualities, the amount of funding made available to the Group could reduce and it may not be able to convert its debtors into cash quickly enough, or renegotiate payment terms with its key suppliers or customers/clients. The new facility will be provided on a full recourse basis, meaning that the bad debt risk remains with the Group. Should any of the above events therefore occur it could materially impact the financial position and performance of the Group.

COVID-19 pandemic

The COVID-19 pandemic has had an immediate material negative impact on the global economy, particularly with governments (including in the countries to which the Company has exposure, being the UK, Republic of Ireland and Poland) implementing lockdowns and social distancing measures in order to control the transmission of the virus and provide national health services with the potential of successfully treating those most at risk.

The downturn in the economic conditions of the UK and Republic of Ireland, in particular, has led to reduced consumer spend, creating volatile demand which in turn has led to a reduction in the demand for Staffline services in certain sectors. Many of Staffline's customers have temporarily or permanently stopped new investment projects and embarked on redundancy programmes. Despite this, the use of temporary labour allows Staffline's customers the flexibility they need to meet their end customers' demands. The Directors believe that flexible labour resourcing becomes more important as a mitigation strategy against uncertainty.

Lockdown has also impacted the ability of the Group to perform its classroom-based training, which has had a negative effect on the financial performance of the Group. Whilst the current UK governmental roadmaps indicate a softening of the lockdown measures, which ought to allow a return to full classroom-based activities, the inconsistency of Governmental policy in this area, particularly in Northern Ireland and Ireland, as well as the risk of a renewed lockdown as a result of the spread of COVID-19 variants continues to cause uncertainty and may continue to expose the Group to ongoing material impact in this aspect of the Group's operations.

The COVID-19 pandemic has had (as it has across the recruitment and training sector) an adverse effect on the financial performance and prospects of the Group, in particular, the Group's Recruitment business. Whilst the Board believe they have taken prudent measures to mitigate so much as they can the uncertainty the pandemic presents, with new variants emerging, the risk of long term governmental measures on workplace activities and inconsistent governmental lockdown and easing strategies across the UK and Republic of Ireland, the extent of the impact of the COVID-19 pandemic on the financial performance and prospects of the Group remains difficult to predict and may continue to expose the Group to material adverse risks in this regard.

National Minimum Wage compliance

The payment of the National Minimum Wage ("NMW") is a legal requirement which must cover all working time including preparation time, security checks and the provision of personal protective equipment. The payment of the NMW is regulated by HMRC who are tasked with enforcing compliance with the regulations. This can include site audits to check compliance.

During the Company's financial year ending 31 December 2018, HMRC commenced a market wide review into compliance with National Minimum Wage Regulations. The Company was included within this review and breaches were identified relating to prior years, based on end-user custom and practice. That inquiry is now settled and the Group continues to review practices at work sites on a 'self-assessment' basis. Whilst the Group is confident that, following the steps it has put in place, the business is fully compliant and has robust controls to ensure no further non compliance, there can be no guarantee that the Group will be fully compliant with the National Minimum Wage Regulations or employment or tax laws in the future.

Pressure on recruitment margins

An increasingly competitive marketplace with increasing cost of resourcing labour, together with the implementation of IR35 which took place on 6 April 2021, could lead to downward pressure on margins which could materially impact the financial performance of the Group.

The principal aim of the IR35 legislation was to prevent workers from setting up limited companies through which they saved tax and National Insurance contributions whilst working, in effect, as an employee. From 6 April 2021, agency workers who previously operated as limited companies will be required to pay more tax and their agencies (such as Staffline) or their end clients to pay employer National Insurance Contributions. The implementation of IR35 tax reforms is, therefore, likely to lead to material margin erosion particularly within the Driving sector of the Group which in turn could materially impact the financial performance of the Group.

Business Interruption – information security breach or cyber-attack

There are two issues the Group focuses on with regard to this risk:

- (i) major IT failure – as with all large scale businesses, including those in the market sectors in which the Company operates, the Group is reliant on IT systems to support and operate its business. There could be serious business interruption if there is a hardware or software failure. The Recruitment division carries out material weekly payroll runs for its temporary labour workforce. A payroll failure (site or BACS software) would potentially lead to contractors not being paid on time, which also leads to reputational damage.
- (ii) breach of security – the Group holds sensitive personal information in respect of temporary workers, participants of the various PeoplePlus contracts, and the Group’s own staff. There is increased evidence of cyber-crime and there can be no assurance that the Group’s systems will be effective in preventing cyber security related incidents.

IT operating system failures, breaches and/or attacks could all lead to significant interruption in the Group’s business and potential reputational damage with a potential resultant loss of revenue, financial penalties for the Group and diversion of management time.

PeoplePlus – Ofsted Grade 2 rating not maintained

PeoplePlus is regulated by Ofsted for the quality of provision of teaching across a number of contracts, including the Apprenticeship Levy. Ofsted grades the quality of the teaching from 1 (Outstanding) to 4 (Inadequate). A rating of 4 can result in a loss of government funding and removal from the register of apprenticeship training providers (“RoATP”). PeoplePlus achieved an Ofsted rating of 2 (‘Good’) for the apprenticeship and adult education business in England in June 2017 and has subsequently received monitoring visits in February 2019 and October 2020 with no changes to its rating. Whilst the Group has a dedicated quality director to ensure quality is maintained and standards across the business remain high, there can no guarantee that this rating will not be downgraded in the future, which could result in the Group’s potential reputational damage and resultant loss of revenue.

Business development strategy

Following its recent transformation to a skills and training provider, the PeoplePlus division must strengthen its position in each of its relatively new sectors, including Justice and Skills. The recruitment divisions must continue to develop the pipeline of opportunities and win new business in order to achieve their targeted sales. Failure to win work in these new sectors and hit such sales targets will negatively impact the financial performance of the Group.

Shortage of staffing resource in the Recruitment division

Candidate attraction was challenging prior to the COVID-19 outbreak, with UK unemployment rates currently at around 4 per cent. (the lowest levels since 1975). Any future low unemployment rates and continued uncertainties around post-Brexit trade talks and foreign labour leading to a reduction in net migration, could present a risk that Staffline’s recruitment divisions will not be able to obtain sufficient resource to fulfil their contractual obligations, which could result in counterparties terminating contracts with the Group and having a material adverse effect on the Group.

Loss of Gangmasters Labour Abuse Authority (“GLAA”) licence

The Group is licensed with the GLAA and works closely with the Authority to maintain high standards of compliance controls. Regulation within the Recruitment sector has increased year-on-year and the powers and resources at the GLAA and other regulatory bodies have increased. The Group faces the risk that one of its members of staff may deliberately by-pass the procedures set up which ensure the Group fully complies with its industry legislative requirements and related best practice standards.

Brexit

On 31 January 2020, the UK withdrew from the European Union (EU), commonly referred to as “Brexit.” On 24 December 2020, the UK and the EU agreed to a trade and cooperation agreement (the “Trade and Cooperation Agreement”), which will enter into force on the first day of the month following that in which the UK and the EU have notified each other that they have completed their respective internal requirements and procedures for establishing their consent to be bound. The Trade and Cooperation Agreement took provisional effect from 1 January 2021 (provisional application shall cease on the earlier of the date the agreement enters into force or 30 April 2021) and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the UK and the EU.

Due to the size and importance of the economy of the UK, the uncertainty and unpredictability concerning the UK’s future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws) as well as its legal, political and economic relationships with Europe following its exit from the EU may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future agreements (or lack thereof) between the UK and the EU and, in particular, any potential changes in the arrangements for the UK to retain access to EU markets. Brexit could result in adverse economic effects across the UK and Europe, which could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects. Additionally, Brexit may cause fluctuations in the value of the UK pound sterling and EU euro, which may in turn adversely affect the Group’s expenses, earnings, cash flows, results of operations, and revenues.

Economic and market conditions

The Group derives most of its revenues from the United Kingdom and is therefore sensitive to fluctuations in the UK economy. The Group’s performance depends to a certain extent on a number of factors outside of the control of the Group including political and economic conditions. Changes in economic conditions in the United Kingdom and elsewhere, including, for example, levels of employment, lower economic growth, industry conditions, political and diplomatic events and trends, employment and tax laws, and other factors could have an adverse effect on the financial performance and prospects of the Group, in particular, the Group’s Recruitment business.

Interest rates and Exchange rates

The costs associated with any leverage used by the Company will increase if interest rates rise. A significant increase in interest rates will negatively impact the financial performance of the Group.

The Group operates in a number of different jurisdictions which means that it is exposed to the fluctuations in currency exchange rates (particularly between the pound sterling and euro). The Directors cannot predict the effect of foreign exchange rate fluctuations on the Group’s financial performance and there can be no assurance given that such fluctuations will not have a material adverse effect on the Group’s operating results or financial condition.

The Group doesn’t currently but may in the future engage in interest rate and/or currency hedging or otherwise seek to mitigate the risk of interest rate increases or currency fluctuations.

Competition

The UK recruitment market is generally highly competitive with low barriers to entry. There is no guarantee that the Group may not face increased significant competition, including from competitors who have much greater capital resources and who create or further develop rival business models. Increasing competition is likely to increase the pressure on the Group’s margins which could have an adverse effect on the Group and the Group may be forced to change the nature of its business as a result of competitive factors.

Regulation and legislation

The Group's business is governed by the increasingly complex area of employment law. Legislation and its interpretation by the courts has been focussed on giving employment rights to temporary and part-time workers. Compliance with such laws, future court rulings and any amendments to such laws may increase costs and impact margins that the Group is able to achieve.

Recruitment and retention of key employees

The Group's future success is highly dependent on the expertise and continued services of certain key executives and employees. Recruiting, retaining and incentivising suitably qualified personnel will be important to the Group's success. Although the Group enters into employment arrangements with each of its key employees to secure their services, the Group cannot guarantee the recruitment and retention of such key executives and employees. As a result, the loss of service of any of the Group's key personnel may adversely affect the Group's business, its results of operations and financial condition.

Employment disputes

As a leading provider of temporary and full-time staffing, there are risks that employees associated with the Group commit illegal or harmful acts whilst representing the business which could result in potential reputational damage to the Group and a resultant loss of revenue.

2. Risks relating to the Transaction & an investment in the Ordinary Shares

Termination of the Placing

The Placing Agreement contains standard market provisions entitling Liberum to terminate the Placing Agreement at any time prior to Admission in certain circumstances, including but not limited to, in the event that a warranty given by the Company to Liberum therein is or has ceased to be, true and accurate and not misleading, the failure of the Company to comply in any material respect with any of its obligations under the Placing Agreement, the occurrence of certain *force majeure* events or a material adverse change affecting the condition or the earnings or business affairs or prospects of the Group as a whole, whether or not arising in the ordinary course of business. Should Liberum exercise its rights under the Placing Agreement to terminate the Placing Agreement, the Fundraising will cease and the Debt Refinancing will not be able to complete in its current form and the Group may not be capable of agreeing an alternate refinancing with the current proposed Debt Refinancing banks or any other reputable lenders. Should such events arise, the Group will not have sufficient liquidity under its Existing Facilities to meet its forecast funding requirements. In such circumstances the Board would seek to refinance its Existing Facilities, but based on current information available, the Board believes that it is unlikely to be able to do so without an equity raise or some other form of corporate action which it cannot be certain it would achieve.

Conditionality with the New Facilities agreements

A provision of the New Facilities agreement is that the Group must be in receipt of at least £40 million net proceeds from the Fundraising before the Debt Refinancing can complete. As a result, there is a risk that, following Admission, a Placee or subscriber under the Subscription or Open Offer fails to satisfy its contractual commitment to settle its payment obligations, which, in turn, prevents the Company from being able to satisfy this New Facilities condition and for the Debt Refinancing to occur. Given the identity and quality of the Placees and all subscribers to the Subscription being Directors and employees of the Group, the Directors are of the view that any such settlement default (which would be a breach of contract by that Placee/subscriber) is extremely low. Further, under the terms of the Placing, should any such Placee fail to settle its payment obligations, not only would default interest become chargeable but Liberum (as the bookrunner) would also be capable of being able to sell that defaulting Placee's allocation to other persons with that defaulting Placee liable to make good any shortfall (together with settlement of any transfer taxes and interest due thereon).

Investment in AIM Securities

An investment in shares traded on AIM may be less liquid and is perceived to involve a higher degree of risk than an investment in a company whose shares are listed on the Official List. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company and the Group. Investors may therefore realise less than, or lose all of, their investment.

Forward Looking Statements

This document contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Group, which are described above and elsewhere in the document. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Group's business. The specific and general risk factors detailed above do not include those risks associated with the Group which are unknown to the Directors. Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment.

AIM Rules

The AIM Rules are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Dilution of ownership of Ordinary Shares as a result of the Fundraising

Shareholders' (who are not Placees) proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing. In addition, to the extent that Shareholders (who are not Placees) do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the ordinary share capital of the Company will, following Admission of the New Ordinary Shares, be reduced accordingly. Subject to certain exceptions, Shareholders with registered addresses in, or who are resident or located in, the United States and other Restricted Jurisdictions will not be able to participate in the Placing or Open Offer.

Dilution of ownership of Ordinary Shares as a result of future equity fundraisings

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or acquisitions. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Company may be unable to obtain additional financing on acceptable terms or at all if market and economic conditions, the financial condition or operating performance of the Company or investor sentiment (whether towards the Company in particular or towards the market sector in which the Company operates) are unfavourable. The Company's inability to raise additional funding on terms acceptable to it may hinder its ability to grow in the future or to maintain its existing levels of operation.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations,

legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Group may do business;
- foreign currency exchange fluctuations and the denominations in which the Group may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Group's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programmes applicable to the Group's business.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Future capital raisings may not be successful

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company's share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Group or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Group's business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

Future payment of dividends

The Group has been unable to pay any dividends in the 2019, 2020 and the current financial year. There can be no assurance as to the level of future dividends (if any). The declaration, payment and amount of any future dividends of the Company are subject to the discretion of the Directors and shareholders of the Company and will depend upon, *inter alia*, the Group's earnings, financial position, cash requirements and availability of profits as well as the provisions of relevant laws and/or generally accepted accounting principles from time to time.

Valuation of shares

The Issue Price has been determined by the Board and may not relate to the Group's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

Market perception

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Suitability

A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. An investment in the Company involves a high degree of risk and may not be suitable for all recipients of this document. Prospective investors are advised to consult a person authorised by the FCA (or, if outside the UK, another appropriate regulatory body) before making their decision.

Passive Foreign Investment Company

Prospective investors should be aware and understand that, under United States federal tax laws, the Ordinary Shares may be considered an equity interest in a passive foreign investment company (a "PFIC") (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "U.S. Tax Code")). As a result, United States Shareholders may be subject to adverse U.S. federal income tax consequences as a result of the Company's PFIC status and should seek their own independent specialist advice with respect to the U.S. tax consequences of their interest in the Ordinary Shares.

PART 3

SOME QUESTIONS AND ANSWERS ON THE PLACING AND OPEN OFFER

The questions and answers set out in this Part 3 are intended to be in general terms only and, as such, you should read Part 4 of this document for full details of what action you should take. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 3 deals with general questions relating to the Placing and the Open Offer and more specific questions relating principally to Existing Ordinary Shares held by persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are a Shareholder with a registered address, or are a citizen or resident of or incorporated in a Restricted Jurisdiction, you should read paragraph 3 of Part 4 of this document. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part 4 of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. What is a placing and an open offer?

A placing and an open offer are ways for companies to raise money. Companies may do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings (an open offer) and/or providing for specifically identified investors also to acquire a certain number of shares at a fixed price (a placing). The fixed price is normally at a discount to the market price of the existing ordinary shares on the business day prior to the announcement of the placing and/or the open offer.

The Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire, in aggregate, up to 8,837,242 Open Offer Shares at a price of 50 pence per Ordinary Share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in, or located in, the United States or another Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 10 Open Offer Shares for every 78 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Basic Entitlements. Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlements in full, to apply for additional Open Offer Shares through the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying non-CREST Shareholders should also note that the Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), and the Open Offer Entitlements will not be tradable or listed, and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

2. Am I eligible to participate in the Placing?

Unless you are a Placee, you will not be eligible to participate in the Placing.

3. I hold my Existing Ordinary Shares in certificated form. How do I know if I am able to apply to acquire Open Offer Shares under the Open Offer?

If you have received an Application Form and, subject to certain exceptions, are not a holder with a registered address and are not resident or located in the United States or another Restricted Jurisdiction, then you should be eligible to acquire Open Offer Shares under the Open Offer, as long as you have not sold all of your Existing Ordinary Shares on or before 8.00 a.m. on 21 May 2021 (the Ex-entitlement Date for the Open Offer).

4. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in and are not resident or located in the United States or another Restricted Jurisdiction, you should have been sent an Application Form with this document.

That Application Form shows:

- how many Existing Ordinary Shares you held at close of business on the Record Date;
- how many Open Offer Shares are comprised in your Basic Entitlement; and
- how much you need to pay if you want to take up your right to subscribe for your Basic Entitlement to the Open Offer Shares.

If you have a registered address or are resident or located in the United States or another Restricted Jurisdiction, subject to certain exceptions, you will not receive an Application Form.

If you would like to apply for any of, all of or more than the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Please return the completed form in the reply-paid envelope provided with the Application Form along with a cheque or banker's draft for the number of Open Offer Shares you want to apply for and allow at least four business days for delivery if sent by first class post from within the United Kingdom. Please also see questions 5 and 11 for further help in completing the Application Form.

5. I am a Qualifying Shareholder with a registered address in the UK and I hold my Existing Ordinary Shares in certificated form. What are my choices in relation to the Open Offer and what should I do with the Application Form?

5.1 *If you want to take up all of your Basic Entitlement?*

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the completed Application Form, together with your cheque or banker's draft for the amount (as indicated in Box G of your Application Form), payable to 'CIS PLC re: Staffline Group plc Open Offer A/C' in the reply paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, to arrive by no later than 11.00 a.m. on 7 June 2021. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part 4 of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than five Business Days following Admission.

5.2 *If you want to take up some but not all of your Basic Entitlement?*

If you want to take up some but not all of your Basic Entitlement, you should write the number of Open Offer Shares you want to take up in Box D of your Application Form; for example, if you are entitled to take up 2,000 shares but you only want to take up 1,000 shares, then you should write '1,000' in Box D and Box F.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example '1,000') by £0.50, which is the price of each Open Offer Share (giving you an amount of £500 in this example). You should write this amount in Box G, and this should be the amount your cheque or banker's draft is made out for. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to 'CIS PLC re: Staffline Group plc Open Offer Account A/C' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, to arrive by no later than 11.00 a.m. on 7 June 2021, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the reply-paid envelope which is enclosed with the Application Form. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope.

Full instructions are set out in Part 4 of this document and in the Application Form. A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than five Business Days following Admission.

5.3 *If you want to apply for more than your Basic Entitlement?*

Provided that you have agreed to take up your Basic Entitlement in full, you can apply for Excess Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box D which must be the number of Open Offer Shares shown in Box B. You should then write the number of Excess Shares you wish to apply for under the Excess Application Facility in Box E and then complete Box F by adding together the numbers you have entered in Boxes D and Box E.

To work out how much you need to pay for the Open Offer Shares you are applying for, you need to multiply the number of Open Offer Shares shown in Box F by the Issue Price, which is the price of each Open Offer Share. You should write this amount in Box G, rounding down to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount payable to 'CIS PLC re: Staffline Group plc Open Offer A/C' and crossed "A/C payee only", in the reply-paid envelope provided, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, to arrive by no later than 11.00 a.m. on 7 June 2021, after which time the Application Form will not be valid. Within the United Kingdom only, you can use the accompanying reply-paid envelope.

You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom, postage will be payable when using the reply-paid envelope. Full instructions are set out in Part 4 of this document and in the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company's absolute discretion. Therefore, applications under the Excess Application Facility may not be satisfied in full. In this event, Qualifying Shareholders will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, the relevant Qualifying Shareholder, multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

A definitive share certificate will then be sent to you for the Open Offer Shares that you validly take up. Your definitive share certificate for such Open Offer Shares is expected to be despatched to you by no later than five Business Days following Admission.

5.4 *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. The Open Offer Shares you could have taken up will not be issued by the Company to you or for your benefit. You cannot sell your Application Form or your Open Offer Entitlement to anyone else.

If you are not a Placee and you do not take up any of your Open Offer Entitlement, then following the Fundraising, your interest in the Company will be diluted, although you should note that even if a Qualifying Shareholder (who is not a Placee) subscribes for his/her full entitlement to the Open Offer Shares, his/her proportionate interest in the Company will be diluted by the issue of Placing Shares pursuant to the Placing and the Subscription Shares pursuant to the Subscription.

6. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?

CREST members should follow the instructions set out in Part 4 of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by such CREST member of the number of Open Offer Shares they are entitled to apply for under their Open Offer Entitlement and should contact their CREST member should they not receive this information.

7. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying non-CREST Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form on 19 May 2021 and who have converted them to certificated form; and
- Qualifying non-CREST Shareholders who bought Existing Ordinary Shares before 8.00 a.m. on 21 May 2021 but were not registered as the holders of those shares at the close of business on 19 May 2021.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Computershare on 0370 7071314 from within the UK or +44 (0) 370 7071314 if calling from outside the UK. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (except English and Welsh public holidays). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

8. If I buy Existing Ordinary Shares after the Record Date will I be eligible to participate in the Open Offer?

If you buy or have bought Existing Ordinary Shares after the Record Date, but before the ex-entitlement date, you are likely to be able to participate in the Open Offer in respect of those Existing Ordinary Shares.

If you are in any doubt, please consult your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement.

9. What if I change my mind?

If you are a Qualifying non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares you have applied for, except in the very limited circumstances which are set out in paragraph 2 of Part 4 of this document.

10. What if the number of Open Offer Shares to which I am entitled is not a whole number? Am I entitled to fractions of Open Offer Shares?

Your entitlement to Open Offer Shares will be calculated at the Record Date. If the result is not a whole number, you will not receive an Open Offer Share in respect of the fraction of each Existing Ordinary Share and your entitlement will be rounded down to the nearest whole number.

11. I hold my Existing Ordinary Shares in certificated form. What should I do if I want to spend more or less than the amount set out in Box C of the Application Form?

If you want to spend more than the amount set out in Box C you should divide the amount you want to spend by £0.50 (being the price in pounds sterling of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares for which you can apply. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £0.50, which comes to £500. You should round that down, if necessary, to give you the number of Open Offer Shares for which, in this example, you can apply without exceeding your chosen amount. Write the total number of Open Offer Shares (in this example 1,000) in Box D. To get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example 1,000) by £0.50 and then fill in that amount rounded down to the nearest whole pound, if necessary, (in this example being £500), in Box G and on your cheque or banker's draft accordingly.

You should note that the number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. If applications are received for more than the available number of Open Offer Shares, applications made under the Excess Application Facility will be scaled back at the Company's absolute discretion. Assuming that there are no Overseas Shareholders who have registered addresses in, or are residents in or citizens of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility. Qualifying non-CREST Shareholders whose applications under the Excess Application Facility are so scaled back will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for by, but not allotted to, them multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

If you want to spend less than the amount set out in Box C, you should divide the amount you want to spend by £0.50 (being the price, in pound sterling, of each Open Offer Share under the Open Offer). This will give you the number of Open Offer Shares you should apply for. You can only apply for a whole number of Open Offer Shares. For example, if you want to spend £1,000 you should divide £1,000 by £0.50. You should round that down to the nearest whole number, if necessary, (in this example, 1,000), to give you the number of shares you want to take up. Write that number (in this example, 1,000) in Box D. Then to get an accurate amount to put on your cheque or banker's draft, you should multiply the whole number of Open Offer Shares you want to apply for (in this example, 1,000) by £0.50 and then fill in that amount rounded down to the nearest whole pound (in this example being £500) in Box G and on your cheque or banker's draft accordingly.

12. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before close of business on 19 May 2021, you should contact the buyer or the person/company through whom you sold your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer.

If you sold any of your Existing Ordinary Shares on or after 8.00 a.m. on 21 May 2021, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

13. I hold my Existing Ordinary Shares in certificated form. How do I pay?

You should return your Application Form with a cheque or banker's draft drawn in pounds sterling on a bank or building society account in the UK in the reply-paid envelope enclosed (from within the United Kingdom). You should allow at least four business days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. Cheques should be drawn on a sole or joint personal account of the Qualifying Shareholder who is applying for the Open Offer Shares. The funds should be made payable to 'CIS PLC re: Staffline Group plc Open Offer A/C' and crossed "A/C payee only". Payments via CHAPS, BACS or electronic transfer will not be accepted. Third party cheques may not be accepted with the exception of banker's drafts or building society cheques where the bank or building society has confirmed the name of the account holder (which must be the same name as appears on page 1 of the Application Form) on the back of the draft or cheque and have added their branch stamp.

14. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your Open Offer Entitlement, your proportionate ownership and voting interest in the Company will be reduced (in addition to the reduction caused by the Placing and Subscription).

15. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?

You should send your completed Application Form and monies by post in the enclosed reply paid envelope (from within the United Kingdom) to Computershare, Corporate Actions Projects, Bristol, BS99 6AH. You should allow at least four business days for delivery if using first class post or the reply-paid envelope within the United Kingdom. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

16. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?

The Receiving Agent must receive your completed Application Form and cheque or banker's draft by 11.00 a.m. on 7 June 2021. You should allow at least four business days for delivery if using first-class post or the reply-paid envelope included with the Application Form, within the United Kingdom.

17. I hold my Existing Ordinary Shares in certificated form. If I take up my entitlements, when will I receive the certificate representing my Open Offer Shares?

It is expected that the Registrars will post all Open Offer Share certificates by 17 June 2021 (being five Business Days following Admission).

18. What should I do if I think my holding of Existing Ordinary Shares (as shown in Box A on page 1 of the Application Form) is incorrect?

If you bought or sold Existing Ordinary Shares shortly before the Record Date, your transaction may not have been entered on the register of members before the Record Date for the Open Offer. If you bought Existing Ordinary Shares before 8.00 a.m. on 21 May 2021 but were not registered as the holder of those shares on the Record Date for the Open Offer (close of business on 19 May 2021), you may still be eligible to participate in the Open Offer. If you are in any doubt, please contact your stockbroker, bank or other appropriate financial adviser, or whoever arranged your share purchase, to ensure you claim your entitlement. You will not be entitled to Open Offer Entitlements in respect of any Existing Ordinary Shares acquired on or after 8.00 a.m. on 21 May 2021.

19. Will the Placing and Open Offer affect dividends (if any) on the Existing Ordinary Shares?

The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

20. Will I be taxed if I take up my entitlements?

Shareholders who are in any doubt as to their tax position or who may be subject to tax in any other jurisdiction are strongly recommended to consult their own professional advisers.

21. What should I do if I live outside the United Kingdom?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are resident or located in the United States or another Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 5 of Part 4 of this document.

22. How do I transfer my entitlements into the CREST system?

If you are a Qualifying non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (Box O on page 4 of the Application Form), and ensure they are delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this. If you have transferred your rights into the CREST system, you should refer to paragraph 2 of Part 4 of this document for details on how to apply and pay for the Open Offer Shares.

23. Do I need to comply with the Money Laundering Regulations?

Qualifying non-CREST Shareholders and Qualifying CREST Shareholders should refer to paragraph 3 of Part 4 of this document for a description of the requirements of the Money Laundering Regulations.

PART 4

DETAILS OF THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, also in the Application Form), the Company hereby invites Qualifying Shareholders to subscribe for Open Offer Shares *pro rata* to their existing shareholdings at the Issue Price, payable in full on application and free of all expenses, on the basis of:

10 Open Offer Shares for every 78 Existing Shares

held by Qualifying Shareholders at the Record Date and so on in proportion for any other number of Existing Shares then held.

Qualifying Shareholders are also being given the opportunity, provided they take up their Basic Entitlements in full, to apply for Excess Entitlements through the Excess Application Facility, further details of which are set out below.

Qualifying Shareholders with holdings of Existing Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Open Offer Entitlements.

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares. Fractional entitlements which would otherwise arise will not be issued to the Qualifying Shareholders but will be made available under the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited through CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

Excess Application Facility

The Excess Application Facility enables Qualifying Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement as at the Record Date.

However, applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Basic Entitlements and may be scaled back at the Company's absolute discretion. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

In any event, applications will be rejected if acceptance would result in the Qualifying Shareholder, together with those acting in concert with him/her for the purposes of the City Code, holding 30 per cent. or more of the Ordinary Shares in issue immediately following Admission.

Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlements should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 2 of this Part 4 for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer

Entitlements credited to your CREST stock account in respect of such entitlement. The Application Form shows the number of Existing Shares held at the Record Date. It will also show Qualifying Shareholders their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 2(e) of this Part 4.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of Qualifying CREST Shareholders. Qualifying CREST Shareholders who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

1. If you have an Application Form in respect of your Open Offer Entitlements

(a) General

Qualifying Non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Shares registered in your name at the close of business on the Record Date in Box A. It also shows the Basic Entitlement allocated to you set out in Box B. Box C shows how much you would need to pay you with to take up your Basic Entitlement in full. You may apply for less than your entitlement should you wish to do so. Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form part of the terms of the Open Offer.

(b) Market claims

Applications may only be made on the Application Form, and may only be made by the Qualifying Shareholder named in it, or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 21 May 2021 (an “**Applicant**”).

Application Forms may be split up to 3.00 p.m. on 3 June 2021.

The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or transferred all or part of his/her holding of Existing Shares prior to 21 May 2021, being the date upon which the Existing Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his/her broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee from his/her counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into a Restricted Jurisdiction or to Restricted Persons.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 2 below.

(c) ***Application procedures***

If you are a Qualifying Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (whether in respect of all or part of your Basic Entitlement or under the Excess Application Facility), you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post to Computershare, Corporate Actions Projects, Bristol, BS99 6AH, so as to arrive no later than 11.00 a.m. on 7 June 2021. A reply-paid envelope is enclosed for use by Qualifying Non-CREST Shareholders in connection with the Open Offer.

Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up some or all of your Open Offer Entitlements. If any Application Form is sent by first-class post within the United Kingdom, Qualifying Non-CREST Shareholders are recommended to allow at least three business days for delivery. The Company may elect in its absolute discretion to accept Application Forms and remittances after that date. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 7 June 2021 from an authorised person (as defined in the FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.

(d) ***Payments***

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "CIS PLC RE: STAFFLINE GROUP PLC OPEN OFFER A/C "and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch or a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner. Eurocheques, unless drawn on a bank in the United Kingdom, the Channel Islands or the Isle of Man, will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 4.30 p.m. on 10 June 2021 or such later time and date as the Company shall agree, (being no later than 4.30 p.m. on 17 June 2021), the Open Offer will lapse and application monies will be returned by post to Applicants, at the Applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. The interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(e) ***Incorrect sums***

If an Application Form encloses a payment for an incorrect sum, the Company through the Registrars reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question (without interest); or

- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question (without interest), save that any sums of less than £1.00 will be retained for the benefit of the Company.

All monies received by the Registrars in respect of Open Offer Shares will be held in a separate client account.

(f) ***The Excess Application Facility***

Provided that the Applicant chooses to take up their Basic Entitlement in full, the Excess Application Facility enables him/her to apply for Excess Shares. Applicants who wish to do so should complete Box E of the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company's absolute discretion and no assurance can be given that excess applications will be met in full or in part or at all. Each Applicant who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Applicant multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the Applicant's sole risk.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. The Receiving Agent can be contacted on 0370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(g) ***Effect of an application***

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (i) represents and warrants to the Company and Liberum that he/she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his/her rights, and perform his/her obligations under any contracts resulting therefrom and that he/she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Liberum that all applications, and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iii) confirms to the Company and Liberum that in making the application he/she is not relying on any information or representation other than that contained in this document, and he/she accordingly agrees that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he/she will be

- deemed to have had notice of all the information in relation to the Company contained in this document;
- (iv) represents and warrants to the Company and Liberum that he/she is the Qualifying Shareholder originally entitled to the Open Offer Entitlement;
 - (v) represents and warrants to the Company and Liberum that, if he/she has received some or all of his/her Open Offer Entitlements from a person other than the Company, he/she is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
 - (vi) requests that the Open Offer Shares to which he/she will become entitled be issued to him/her on the terms set out in this document and the Application Form and subject to the Articles;
 - (vii) represents and warrants to the Company and Liberum that he/she is not, nor is he/she applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any other Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he/she is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his/her application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any other Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he/she is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
 - (viii) represents and warrants to the Company and Liberum that he/she is not, and nor is he/she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
 - (ix) confirms that in making the application he/she is not relying and has not relied on the Company or Liberum or any person affiliated with the Company, or Liberum, in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.

If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying Non-CREST Shareholders under the Open Offer should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, telephone number 0370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

2. If you have Open Offer Entitlements credited to your stock account in CREST

(a) General

Each Qualifying CREST Shareholder will receive a credit to his/her stock account in CREST of his/her Basic Entitlement equal to the number of Open Offer Shares for which he/she is entitled to apply under his/her basic entitlement under the Open Offer, together with a credit of Excess Entitlements equal to the total number of shares available through the Open Offer.

Open Offer Entitlements are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. or such later time as the Company may decide on 2 June 2021, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements credited to his/her stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) ***Market claims***

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly. Shareholders should note that there will be no market claims generated on the Excess Entitlements and should contact the shareholder helpline on 0370 707 1314 or, if calling from outside the United Kingdom, on +44 (0)370 707 1314 if they believe that they should be credited with Excess Entitlements, ensuring that they do so in sufficient time to apply for the offer.

(c) ***USE instructions***

CREST members who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to above.

(d) ***Content of USE instructions in respect of Basic Entitlements***

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Basic Entitlements, which is GB00BLPJ4L79;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as a CREST receiving agent. This is 3RA09;
- (vi) the member account ID of Computershare, in its capacity as a CREST receiving agent. This is STAFFG01;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 2(d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 7 June 2021; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 7 June 2021.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

In the event that the Open Offer does not become unconditional by 4.30 p.m. on 10 June 2021 or such later time and date as the Company shall agree (being no later than 4.30 p.m. on 17 June 2021), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the Company's benefit.

(e) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his/her Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim) provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 7 June 2021.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 2 June

2021, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 1 June 2021, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 7 June 2021.

Delivery of an Application Form with the CREST Deposit Form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member that it is not in breach of the provisions of the notes under the paragraph headed “Instructions for Depositing Entitlements under the Open Offer into CREST” on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member that it is not a citizen or resident of a Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member is entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(f) ***Excess Application Facility***

The Excess Application Facility enables Qualifying CREST Shareholders, who have taken up their Basic Entitlement in full, to apply for Excess Shares.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements and Excess Entitlements, the Excess Shares will be scaled back at the Company’s absolute discretion and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess Entitlements may not be sold or otherwise transferred.

The CREST accounts of Qualifying CREST Shareholders will be credited with Excess Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Basic Entitlement nor the Excess Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

Excess Open Offer Entitlements will not be subject to Euroclear’s market claims process. Qualifying CREST Shareholders claiming Excess Open Offer Entitlements by virtue of a *bona fide* market claim are advised to contact the Receiving Agent to request a credit of the appropriate number of entitlements to their CREST account. Please note that an additional USE instruction must be sent in respect of any application under the Excess Entitlement. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back at the Company’s absolute discretion. In this event, each Qualifying CREST Shareholder who has made a valid application pursuant to his/her Excess Entitlement, and from whom payment in full for the Excess Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant’s sole risk by way of cheque or CREST payment, as appropriate. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and Excess Entitlements should be addressed to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH. The Receiving Agent can be contacted on 0370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(g) ***Content of USE instructions in respect of Excess Entitlements***

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Excess Entitlements being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess Entitlements, which is GB00BLPJ4M86;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- (v) the participant ID of Computershare, in its capacity as a CREST receiving agent. This is 3RA09;
- (vi) the member account ID of Computershare, in its capacity as a CREST receiving agent. This is STAFFG01;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 2(d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 7 June 2021; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 7 June 2021.

(h) ***Validity of application***

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 7 June 2021 will constitute a valid application under the Open Offer.

(i) ***CREST procedures and timings***

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his/her CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 7 June 2021. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) ***Incorrect or incomplete applications***

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(k) ***Effect of valid application***

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) represents and warrants to the Company and Liberum that he/she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his/her rights, and perform his/her obligations, under any contracts resulting therefrom and that he/she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) request that the Open Offer Shares to which he/she will become entitled be issued to him/her on the terms set out in this document and subject to the Articles;
- (iv) agrees with the Company and Liberum that all applications and contracts resulting therefrom, and any non-contractual obligations related thereto, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (v) represents and warrants to the Company and Liberum that he/she is not applying on behalf of any Shareholder, who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction and he/she is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company that he/she is able to accept the invitation by the Company free of any requirement which the Company (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (vi) represents and warrants to the Company and Liberum that he/she is not, and nor is he/she applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- (vii) confirms to the Company and Liberum that in making such application he/she is not relying on any information in relation to the Company other than that contained in this document, and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he/she will be deemed to have had notice of all the information concerning the Company contained herein;

- (viii) represents and warrants to the Company and Liberum that he/she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he/she has received such Open Offer Entitlements by virtue of a *bona fide* market claim; and
- (ix) confirms to the Company and Liberum that in making the application he/she is not relying and has not relied on the Company or Liberum or any person affiliated with the Company, or Liberum, in connection with any investigation of the accuracy of any information contained in this document or his/her investment decision.

(l) ***Company's discretion as to rejection and validity of applications***

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this paragraph 2(l)(iii) the “**first instruction**”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

3. Money Laundering Regulations

(a) ***Holders of Application Forms***

The Receiving Agent is entitled to require, at its absolute discretion, verification of identity from any person lodging an Application Form including, without limitation, any person who appears to the Receiving Agent to be acting on behalf of some other person. Submission of an Application Form will constitute a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purpose of the Money Laundering Regulations.

Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion retain an Application Form lodged by an Applicant for Open Offer Shares and/or the cheque, banker's draft or other remittance relating to it and/or not enter the Open Offer Shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of the failure of the Applicant to provide satisfactory evidence. In that case, the application monies (without interest) will be returned to the bank or building society account from which payment was made.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, and the verification of identity requirements have not been satisfied (which the Receiving Agent shall in its absolute discretion determine), the Company may, in its absolute

discretion, and without prejudice to any other rights of the Company, treat the application as invalid or may confirm the allotment of the relevant shares to the applicant but (notwithstanding any other term of the Open Offer) the relevant shares will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application (which the Receiving Agent shall in its absolute discretion determine)

If the application is treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the applicant, the Company will be entitled to make arrangements (in its absolute discretion as to manner, timing and terms) to sell the relevant shares (and for that purpose the Company will be expressly authorised to act as agent of the applicant). Any proceeds of sale (net of expenses) of the relevant shares which shall be issued to and registered in the name of the purchasers or an amount equivalent to the original payment, whichever is the lower, will be held by the Company on trust for the applicant, subject to the requirements of the Money Laundering Regulations being satisfied. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied. Neither the Company nor the Receiving Agent will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of any such discretion or as a result of any sale of relevant shares. Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in your application being treated as invalid or in delays in the despatch of share certificates or in crediting CREST stock accounts

The Receiving Agent shall be entitled, at its sole discretion, to determine whether the verification of identity requirements apply to any Applicant and whether such requirements have been satisfied and neither of the Receiving Agent or the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of such discretion.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his/her application in person) makes payment by way of a cheque drawn on an account in the name of such applicant.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above).

- (i) The Applicant should:
 - (a) where payment is made otherwise than by the Applicant's own cheque, write the Applicant's name and address on the back of the building society cheque, banker's draft or other third party cheque and, in the case of an individual, record his/her date of birth against his/her name;
 - (b) if a building society cheque or banker's draft is used, ask the building society or bank to print on the cheque or banker's draft the full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the cheque and add its stamp; and
 - (c) enclose with his/her Application Form evidence of his/her name and address from an appropriate third party; for example, a recent bill from a gas, electricity or telephone company or a bank statement, in each case bearing the Applicant's name and address (originals of such documents (not copies) are required and will be returned in due course).

- (ii) If an application is delivered by hand, the Applicant should ensure that he/she has with him/her evidence of identity bearing his/her photograph (for example, a valid full passport) and separate evidence of his/her address.
- (iii) If you are making an application as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. If the application is lodged with payment by an agent which is an organisation required to comply with the EU Money Laundering Directive ((EU)/2015/859), or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Austria, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the United States and, by virtue of their membership of the gulf co-operation council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the application written confirmation and evidence that it has that status and that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent.

In order to confirm the acceptability of any written assurances referred to above, or in any other case, the Applicant should contact the Receiving Agent on 0370 7071314 or, if calling from outside the United Kingdom, on +44 (0) 370 7071314. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) ***Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

4. Taxation

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

5. Overseas Shareholders

SUBJECT TO CERTAIN LIMITED EXCEPTIONS, THERE IS NO OFFER OF OPEN OFFER SHARES TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, COUNTRIES OTHER THAN THE UNITED KINGDOM. IT IS THE RESPONSIBILITY OF ALL PERSONS (INCLUDING, WITHOUT LIMITATION, NOMINEES AND TRUSTEES) OUTSIDE THE UNITED KINGDOM TO OBSERVE THIS RESTRICTION.

Subject to certain limited exceptions, Application Forms will not be sent to Overseas Shareholders nor will Open Offer Entitlements be credited to a stock account of Overseas Shareholders who are in a Restricted Jurisdiction or to US persons.

Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this document and/or an Application Form either will not be sent or will be deemed to have been sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer which could lawfully be made to him/her or an Application Form which could lawfully be used without contravention of any registration or other legal requirements.

Accordingly, persons receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements to any person in or into any Restricted Jurisdiction. If an Application Form or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his/her agent or nominee, he/she must not seek to apply for his/her entitlement to Open Offer Shares under the Open Offer except under an express written agreement between him/her and the Company. Any person who does forward this document and/or an Application Form or transfer the Open Offer Entitlements into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph.

(a) *Representations and warranties relating to Overseas Shareholders*

Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Liberum and the Registrars that: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or the Registrars may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or another Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or any other Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph 5(a).

Qualifying CREST Shareholders

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III represents and warrants to the Company, Liberum and the Registrars that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not within the United States or any other Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) such person is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring any Open Offer Shares with a view the offer, sale, resale, transfer, delivery or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

(b) *Waiver*

The provisions of this paragraph 5 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Liberum in their absolute discretion. Subject to this, the provisions of this paragraph 5 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 5 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 5 shall apply to them jointly and to each of them.

The comments set out in this paragraph are intended as a general guide only and any Qualifying Shareholder who is in doubt as to his/her eligibility to accept the offer of Open Offer Shares should consult his/her professional adviser immediately.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of the offer of Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the legislation of any jurisdiction or if it believes, or its agents believe, that the same may violate applicable legal or regulatory requirements or if a Qualifying Shareholder, in the case of an application or an Application Form, provides an address for delivery of share certificates for Open Offer Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for his/her entitlement to Open Offer Shares under the Open Offer if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question or would not result in the contravention of any applicable legal or regulatory requirements.

Those Shareholders who wish, and are permitted, to subscribe for Open Offer Shares should note that payments must be made as described above in this Part 2.

6. Admission, Settlement and Dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective on 10 June 2021 and that dealings for normal settlement in the Open Offer Shares will commence at 8.00 a.m. on 10 June 2021.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 7 June 2021 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 10 June 2021). On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be 10 June 2021). The stock accounts to be credited will be

accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Qualifying Non-CREST Shareholders who applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post within five Business Days of Admission. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register. All documents or remittances sent by or to Applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to the Application Form.

7. Times and dates

The Company shall, in agreement with Liberum and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service, but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. Governing law and jurisdiction

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

NOTICE OF GENERAL MEETING

STAFFLINE GROUP PLC

(Registered in England and Wales with no. 05268636)

NOTICE is hereby given that a General Meeting of Staffline Group plc (the “**Company**”) will be held at the offices of DLA Piper UK LLP at 160 Aldersgate Street, London EC1A 4HT at 11.00 a.m. on 9 June 2021 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution (defined terms having the meanings given to them in the circular to the shareholders of the Company dated 24 May 2021):

ORDINARY RESOLUTION

1. **THAT**, the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot equity securities (within the meaning of section 560 of the Act) up to an aggregate nominal amount of £9,683,724.20 pursuant to or in connection with the allotment of up to 96,837,242 new ordinary shares of 10 pence each in the capital of the Company to such persons as may be entitled in connection with the Placing, Subscription and Open Offer, provided that such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire 15 months after the date of the passing of this Resolution or at the conclusion of the next annual general meeting of the Company (whichever occurs first), except that the Company may, before such expiry, make an offer or agreement which would or might require such equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

SPECIAL RESOLUTION

2. **THAT**, subject to and conditional upon the passing of Resolution 1, the Directors be and are hereby empowered in accordance with section 570(1) of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred on them by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that such authority, unless revoked, varied or renewed by the Company in a general meeting, shall expire 15 months after the date of the passing of this resolution or at the conclusion of the next annual general meeting of the Company (whichever occurs first), except that the Company may, before such expiry, make an offer or agreement which would or might require such equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.

24 May 2021

BY ORDER OF THE BOARD

Louise Barber
Company Secretary

Staffline Group plc
19-20 The Triangle, NG2 Business Park, Nottingham NG2 1AE

Notes of the Notice of General Meeting

Proxies

1. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him/her. However, **in light of the ongoing COVID-19 pandemic and the potential risk to the health of attendees (particularly from new COVID-19 variants), the Directors are exercising their discretion under the Company's articles of association and Shareholders, proxies (other than the two members forming the minimum quorum for the meeting), advisers and other guests will not be allowed to attend the General Meeting in person and anyone seeking to attend the General Meeting will be refused entry.** Please read the paragraph headed 'Important notice regarding COVID-19 General Meeting arrangements' in paragraph 9 of Part 1 of the Circular to the shareholders of the Company dated 24 May 2021. The Company will arrange for the minimum quorum of two Shareholders present in person or by proxy necessary to conduct the business of the General Meeting to attend the General Meeting and social distancing guidelines will be observed. Any other Shareholders attempting to attend the General Meeting in person will be refused admission. Shareholders are strongly encouraged to therefore submit their votes on the Resolutions as early as possible. **Shareholders should appoint the 'Chairman of the meeting' as their proxy. If a Shareholder appoints someone else as their proxy, that proxy will not be able to attend the General Meeting in person and cast the Shareholder's vote.**
2. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. To appoint more than one proxy, you may photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate in the box provided if the proxy instruction is one of multiple instructions being given. However, as referenced in Note 1 above, Shareholders should appoint the 'Chairman of the meeting' as their proxy. If a Shareholder appoints someone else as their proxy, that proxy will not be able to attend the General Meeting in person and cast the Shareholder's vote. All forms must be signed and should be returned together in the same envelope.
3. To be valid any Form of Proxy together with any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) or any other instrument appointing a proxy must be included with the Form of Proxy and received by post at Computershare, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for holding the meeting. If you prefer, you may return the Form of Proxy to the Registrars in the enclosed business reply envelope addressed to Computershare. 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.

Nominated Persons

4. A person who is not a shareholder of the Company, but has been nominated by a shareholder to enjoy information rights in accordance with section 146 of the Companies Act 2006 (the "Act") (a "Nominated Person") does not have the right to appoint a proxy, although he/she may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy (though please note the restrictions on entry to the meeting should such proxy not be the Chairman of the meeting. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, he/she may, under an agreement with the relevant shareholder, have a right to give instructions to the shareholder as to the exercise of voting rights. Such Nominated Persons are advised to contact the shareholder who appointed them for further information on this and the procedure for appointing any such proxy.

Record Date

5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only the holders of ordinary shares entered on the register of members of the Company as at close of business on 7 June 2021 (or, in the event of any adjournment, close of business on the date which is two Business Days before the date of the adjourned meeting) shall be entitled to attend by proxy, and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast at the meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Total Voting Rights

6. As at 21 May 2021 (being the latest practicable date prior to the publication of this document) the Company's issued share capital consisted of 68,930,486 ordinary shares of 10 pence each, carrying one vote each, of which the Company holds 1,140,400 shares in treasury. Therefore the total voting rights in the Company as at 21 May 2021 are 67,790,086.

Poll

7. Due to the COVID-19 situation, the Directors have taken the decision that voting on the Resolutions at the General Meeting will be taken on a poll, rather than a show of hands, to ensure that Shareholders' proxy votes are recognised. The Company will announce the results of the poll votes as soon as reasonably practicable following the conclusion of the General Meeting.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. As you should only appoint the Chairman of the meeting as your proxy, he or she will vote in favour of all of the resolutions at the General Meeting unless you direct him/her otherwise.

CREST Proxy Instructions

9. 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. However, as referenced in Note 1 above, Shareholders should appoint the 'Chairman of the meeting' as their proxy. If a Shareholder appoints someone else as their proxy, that proxy will not be able to attend the General Meeting in person and cast the Shareholder's vote. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting 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.
10. 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 and Ireland Limited's ("**Euroclear**") specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). 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 the Company's agent Computershare Investor Services PLC (ID 3RA50) by 11.00 a.m. on 7 June 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp 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. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear 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 or her 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001 (as amended).

Questions

13. Shareholders are invited to submit to the Chairman of the Company or the Company Secretary by email any questions they would otherwise have asked at the General Meeting by emailing investors@staffline.co.uk. Such questions will be considered by the Board. The Company will respond to any relevant questions that are received, and may also, if the Board so determines, and subject to any regulatory restrictions, publish on the Company's website a summary of responses to questions received.

Information available on the Website

14. A copy of this notice and the information required to be published by section 311(A) of the Act can be found at www.stafflinegroupplc.co.uk/investor-relations/. Shareholders may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

