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If you have sold or otherwise transferred all of your ordinary shares in YOLO Leisure and Technology plc (“YOLO” or the “Company”), please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank manager or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of ordinary shares, you should retain the documents and consult the stockbroker, bank manager or other agent through whom the sale or transfer was effected.

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**YOLO LEISURE AND TECHNOLOGY PLC**

(Incorporated in England and Wales as a public limited company, number 4488281)

**NOTICE OF ANNUAL GENERAL MEETING**

**SHARE CAPITAL REORGANISATION**

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Notice of the annual general meeting of the Company to be held at Third Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD at 11.00am on 28 March 2018 (the “AGM”) is enclosed with this document. A form of proxy is also enclosed with this document for use in connection with the AGM. Forms of proxy should be completed and returned to the Company’s Registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR as soon as possible and in any event so as to be received by 11 a.m. on 26 March 2018.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following is the expected timetable of principal events in relation to the proposed share capital reorganisation.

Latest time and date for receipt of forms of proxy for use at the annual general meeting	11.00 a.m. on 26 March 2018
Annual general meeting	11.00 a.m. on 28 March 2018
Share capital reorganisation record date	Close of business on 26 March 2018
Crediting of CREST accounts with the New 0.01p Ordinary Shares	8.00 a.m. on 29 March 2018
Definitive share certificates (where applicable) expected to be despatched	by no later than 31 March 2018

## KEY STATISTICS

Number of Existing Ordinary Shares in issue	441,322,758
Share consolidation ratio	10:1
Number of New 0.01p Ordinary Shares in issue following the share capital reorganisation	44,132,276
Number of A Deferred Shares to be issued pursuant to the share capital reorganisation	44,132,276
SEDOL of the Existing Ordinary Shares	B6TG6Y6

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If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have recently sold or transferred all of your shares in YOLO Leisure and Technology plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

## YOLO leisure & technology plc

4 More London Riverside  
London  
SE1 2AU

Company No: 4488281 Registered in England and Wales

2 March 2018

Dear shareholder

### **Annual General Meeting**

I am writing to you regarding the Company's annual general meeting which will be held on 28 March 2018. Details of the time and venue of the meeting are set out in the notice convening the AGM.

The resolutions to be proposed as the AGM are summarised below.

### **Resolution 1: Report and Accounts**

The report and accounts for the year ended 30 September 2017 are enclosed with this document. The directors must present their report and the annual accounts to the meeting. This gives shareholders the opportunity to ask questions on the content before voting on the resolution.

### **Resolutions 2 and 3: Re-election of Directors**

The Company's articles of association require directors to retire and submit themselves for election at the third annual general meeting following the date on which he was last elected by the Company's shareholders. In accordance with the articles, it is proposed that Sohail Bhatti and I be re-elected as directors by the shareholders.

### **Resolution 4: Appointment of Auditors**

An ordinary resolution will be proposed to appoint haysmacintyre as the Company's auditors to hold office from the conclusion of the annual general meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

### **Resolution 5: Remuneration of the Auditors**

An ordinary resolution will be proposed to authorise the directors to determine the remuneration payable to the auditors.

### **Resolution 6: Directors' Authority to Allot Shares**

This resolution seeks shareholder approval for the directors to be authorised to allot shares. Under the provisions of section 551 of the Companies Act 2006, the directors are not permitted to allot shares unless authorised to do so by the shareholders. This Act provides for such authority to be granted either by the Company in general meeting or by the articles of association and in both cases such authority must be renewed every five years. Notwithstanding the statutory provisions, in accordance with institutional best practice, it is the present intention of the board to seek a similar authority each year.

The directors seek authority to allot shares in the capital of the Company up to a maximum nominal amount of £5,000 (a similar general authority as under the existing allotment authority). This will facilitate the raising of further funds and the making of investments and acquisitions in pursuit of the previously approved investing policy. This power will last until the conclusion of the next annual general meeting of the Company. The directors have no present intention of exercising this authority.

### **Resolution 7: Directors' Power to Disapply Pre-emption Rights**

This resolution, which will be proposed as a special resolution, supplements the directors' authority to allot shares in the Company proposed by resolution 6.

Section 561 of the Companies Act 2006 requires a company proposing to allot equity securities (which includes selling shares held in treasury) to offer them first to existing shareholders in proportion to their existing shareholdings. Equity securities includes ordinary shares, but does not include shares issued under employee share schemes. If resolution 7 is passed, the requirement imposed by section 561 will not apply to allotments by the directors in two cases:

1. in connection with a rights (or similar) issue, where strict application of the principle in section 561 could (for example) either result in fractional entitlements to shares arising or require the issue of shares where this would be impractical because of local, legal or regulatory requirements in any given overseas jurisdiction; and
2. allotments of shares for cash up to a total nominal value of £5,000 This gives the directors flexibility to take advantage of business opportunities as they arise.

This authority will expire at the conclusion of the next annual general meeting or, if earlier, 15 months after the date on which this resolution is passed except in so far as commitments to allot shares have been entered into before that date. It is the present intention of the directors to seek a similar authority annually.

The directors believe that this resolution together with resolution 6 will provide the Company with flexibility to take advantage of business opportunities that may arise.

### **Reorganisation of the Company's Ordinary Share Capital**

Under the Companies Act 2006, a company is unable to issue shares at a subscription price which is less than the par value of shares of the same class. This means that, as the par value of the ordinary shares is currently 1 penny, the Company could not issue ordinary shares at a price of less than 1 penny per ordinary share. On 28 February 2018 (being the last practicable time prior to the publication of this document) the mid-market closing price of the Company's ordinary shares was 0.42 pence. Unless the market price of the Company's ordinary shares increases to at least 1 penny, it will not possible for the Company to raise new equity capital.

In addition, the Company's directors consider that it is in the best interests of the Company's long term development as a listed company to have a smaller number of shares in issue, so that the Company's ordinary shares are traded in amounts of at least 1 penny (rather than fractions of a penny).

## **Resolution 8**

This resolution would consolidate the ordinary share capital of the Company on a 10 for one basis, so that every 10 ordinary shares of 1 penny each (Existing Ordinary Shares) would be converted into one ordinary share of 10 pence each (New Ordinary Shares).

Following the share consolidation, shareholders will own the same proportion of ordinary shares in the Company as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held. The share consolidation will result in an issued ordinary share capital of 44,132,276 New Ordinary Shares. The existing deferred shares in the capital of the Company will not be affected by the share consolidation.

In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company may issue Existing Ordinary Shares to the Registrar. The number of Existing Ordinary Shares to be issued will be two which will result in the total number of Existing Ordinary Shares being exactly divisible in accordance with the consolidation ratio.

No shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the share consolidation, any shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the AGM (a "Fractional Shareholder"), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Ordinary Shares ("Fractional Entitlement Shares"). These Fractional Entitlement Shares shall be sold on behalf of the relevant Fractional Shareholders in accordance with article 45 of the Company's articles of association. The net proceeds of the sale shall be retained for the benefit of the Company.

The provisions set out above mean that any Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares, and as noted above, shareholders with only a fractional entitlement to a New Ordinary Share (ie those shareholders holding a total of fewer than 10 Existing Ordinary Shares at close of business on 26 March 2018 (the "Record Date") will cease to be an ordinary shareholder of the Company. Accordingly, ordinary shareholders currently holding fewer than 10 Existing Ordinary Shares who wish to remain an ordinary shareholder of the Company following the share consolidation would need to increase their shareholding to at least 10 Existing Ordinary Shares prior to the Record Date. Shareholders in this position are encouraged to obtain independent financial advice before taking any action.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the share consolidation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid.

## **Resolution 9**

This resolution sub-divides and re-designates each of the 44,132,276 New Ordinary Shares created by the passing of resolution 8 into one ordinary share of 0.01 pence each ("New 0.01p Ordinary Shares") and one A deferred share of 9.99 pence each in the Company ("A Deferred Shares"). This resolution is conditional on the passing of resolutions 8 and 10.

Immediately following the sub-division and re-designation, each shareholder will hold one New 0.01p Ordinary Share and one A Deferred Share in place of every one New Ordinary Share previously held in the capital of the Company. The rights of the New 0.01p Ordinary Shares will be in all material respects the same as the ordinary shares.

The A Deferred Shares (the rights of which are set out in the Company's articles of association as amended by resolution 10) will have no economic value. The Company does not intend to make any application for the new A Deferred Shares to be admitted to trading on the London Stock Exchange's AIM market or any other public market.

The effective time and date of the sub-division and re-designation of ordinary shares will be 8.00 a.m. on 29 March 2018. Application will be made for the New 0.01p Ordinary Shares to be admitted to trading on AIM. It is expected that admission will take place at 8.00 am on 29 March 2018.

### **Resolution 10**

This resolution amends the Company's existing articles of association to include provision in respect of the rights and restrictions attaching to the A Deferred Shares and the consolidation, sub-division and re-designation of the Existing Ordinary Shares. This resolution is conditional on the passing of resolutions 8 and 9.

### **Recommendation**

The directors of the Company consider that all the proposals to be considered at the AGM are in the best interests of the company and its shareholders as a whole and are most likely to promote the success of the company. The directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings currently amounting to 2.7% of the issued ordinary shares

Yours faithfully

Simon Robinson

Chairman

## YOLO leisure & technology plc

Notice is hereby given that the annual general meeting of YOLO Leisure and Technology plc will be held at Third Floor, New Liverpool House, 15 Eldon Street, London, EC2M 7LD at 11.00am on 28 March 2018 to consider and, if thought fit, pass the following resolutions as ordinary resolutions other than resolutions 7 and 10 which will be proposed as special resolutions.

1. To receive the accounts for the financial year ended 30 September 2017 together with the directors' report and the auditors' report.
2. To re-elect Simon Robinson as a director of the Company.
3. To re-elect Mohammed Sohail Bhatti as a director of the Company.
4. To appoint haysmacintyre as the auditors of the Company.
5. To authorise the directors to agree the remuneration of the auditors of the Company.
6. That the directors be generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £5,000 provided that:
  - 6.1 (except as provided in paragraph 6.2 below) this authority shall expire on the date of the next annual general meeting of the Company; and
  - 6.2 the Company may before such expiry make an offer or agreement which would or might require shares or equity securities, as the case may be, to be allotted or such rights granted after such expiry and the directors may allot shares or equity securities or grant such rights, as the case may be, in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

All unexercised authorities previously granted to the directors to allot shares or to grant rights to subscribe for or to convert any security into shares be and are hereby revoked.

7. That, subject to the passing of resolution 6 above, the directors, pursuant to the general authority conferred on them, be empowered pursuant to section 570 of the Companies Act 2006 (Act) to allot for cash, either pursuant to the authority so conferred or where the equity securities are held by the Company as treasury shares (within the meaning of section 724(5) of the Act), equity securities (within the meaning of section 560 of the Act) as if section 561 of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:-
  - 7.1 made in connection with an offer of securities, open for acceptance for a fixed period, by the directors to ordinary shareholders of the Company on the register on a fixed record date in proportion (as nearly as may be) to their then holdings of such shares (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares or any legal or practical problems under the laws or requirements of any recognised regulatory body or any stock exchange in any overseas territory or in connection with fractional entitlements) or by virtue of shares being represented by depositary receipts or any other matter whatsoever; and/or
  - 7.2 wholly for cash (otherwise than pursuant to paragraph 7.1 above) up to an aggregate nominal value of £5,000

and shall expire on the conclusion of the next annual general meeting of the company or, if earlier, 15 months after the passing of this resolution, but the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors

may allot equity securities pursuant to such an offer or agreement notwithstanding that the power conferred by this resolution has expired.

All unexercised authorities previously granted to the directors under section 570 of the Act are hereby revoked.

8. That every 10 ordinary shares of 1 penny each in the capital of the Company be consolidated and divided into one new ordinary share of 10 pence each.
9. That, subject to and conditional on the passing of resolutions 8 and 10 in the notice convening the 2018 annual general meeting, each ordinary share of 10 pence each in the capital of the Company created by resolution 8 be sub-divided and re-designated into one ordinary share of 0.01p each in the capital of the Company, having the same rights and being subject to the same restrictions as the existing ordinary shares and one A deferred share of 9.99 pence each in the capital of the Company, having the rights and being subject to the restrictions attached to them as set out in the articles of association of the Company to be amended pursuant to resolution 10 in the notice convening the 2018 annual general meeting.
10. That subject to the passing of resolutions 8 and 9 in the notice convening the 2018 annual general meeting, the existing articles of association of the Company be amended pursuant to section 21 of the Companies Act 2006 by:

10.1 the addition in article 2.1 of the following definition:

““A Deferred Shares” means A deferred shares of 9.99p each in the capital of the Company,”

10.2 in article 2.1 substituting the following definition for the current definition of Ordinary Shares:

“Ordinary Shares means ordinary shares 0.01p each in the capital of the Company carrying the rights and restrictions set out in these Articles,”;

10.3 the addition of a new article 3 as follows in substitution for the existing article 3:

### **“3. Shares and Limited Liability**

3.1 The share capital of the Company on 28 March 2018 is £5,206,953.89 divided into 44,132,276 Ordinary Shares, 8,819,181 Deferred Shares and 44,132,276 A Deferred Shares.

3.2 Subject to the Statutes and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, in the absence of any such determination or in so far as such ordinary resolution does not make specific provision, as the Board may determine).

3.3 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares in the Company held by them.”;

10.4 the addition of new articles 169 to 173 as follows:

“A Deferred Shares

169 Rights and Restrictions

The A Deferred Shares shall have attached hereto, as a class, the following rights, privileges, restrictions and conditions:

169 1 As regards income

The holders of A Deferred Shares shall have no right to receive dividends or otherwise participate in the profits of the Company.



169 2 As regards capital

On a return of capital on liquidation or otherwise (other than on conversion, redemption or purchase by the Company of any of its own shares) holders of A Deferred Shares shall be entitled to the amount paid up or credited as paid up on the Deferred Shares to be paid out of the assets of the Company available for distribution among the members, after payment, to the holders of Deferred Shares of the amounts paid up thereon. The holders of the A Deferred Shares shall not be entitled to any other or further right to participate in the assets of the Company.

169 3 As regards voting

The holders of A Deferred Shares shall have no right to receive notice of, or attend and vote at, any general meeting of the Company.

170 Variation

The rights attached to the A Deferred Shares shall not be nor shall they be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or pari passu with or subsequent to such shares. In addition, neither the passing by the Company of any resolution for the cancellation of the A Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the court nor the obtaining by the Company nor the making by the court of any order confirming any such reduction of capital nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attached the A Deferred Shares. Accordingly, the A Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the applicable legislation without sanction on the part of the holders of the A Deferred Shares.

171 Purchase

Notwithstanding any other provision of these Articles, the Company shall have the power and authority at any time to purchase all or any of the A Deferred Shares for an aggregate consideration of £1.

172 Transfer and Cancellation

The A Deferred Shares shall not be capable of transfer at any time without the prior written consent of the Directors. The Directors shall have irrevocable authority to appoint any person to execute on behalf of the holders of the A Deferred Shares and/or an agreement to transfer and/or cancel the same without making any payment to the holders of the A Deferred Shares and in the case of a transfer, to such person or persons as the Company may determine as custodian thereof and, pending such cancellation and/or transfer, to retain the certificate (if any) for such shares. The Company may at its option and subject to compliance with the applicable legislation, at any time after the adoption of this Article cancel A Deferred Shares by way of reduction of capital for no consideration.

173 Certificates

Notwithstanding any other provision of these Articles and unless specifically required by any applicable legislation, the Company shall not be required to issue any certificates or other documents of title in respect of the A Deferred Shares.”

2 March 2018

By order of the Board

Sean Nicolson  
Secretary

## Registered office

4 More London Riverside  
London  
SE1 2AU

Registered in England and Wales, number 4488281

## Notes

The following notes explain your general rights as a shareholder of the Company and your right to attend and vote at this meeting or to appoint someone else to vote on your behalf.

1. Only those members entered in the register of members of the Company 48 hours before the time fixed for the meeting or any adjournment of the meeting shall be entitled to attend and vote at the meeting convened above in respect of the number of shares registered in their names at that time. This time will still apply for the purpose of determining who is entitled to attend and vote if the annual general meeting is adjourned from its scheduled time by 48 hours or less. If the annual general meeting is adjourned for longer, members who wish to attend and vote must be on the Company's register of members by 48 hours before the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. On a poll demanded, all of a member's voting rights may be exercised by one or more duly appointed proxies. Any such member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such member. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR.
3. A proxy need not be a member of the Company. Appointing a proxy will not prevent a member from attending in person and voting at the meeting. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman of the meeting) and give your instructions directly to them. A proxy must vote in accordance with any instructions given by the appointing member.
4. A form of appointment of proxy is enclosed. To appoint a proxy using this form in hard copy form, this form must be completed and signed, sent or delivered to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney of the Company. If you return more than one proxy appointment, either by hard copy form or by electronic form, that received last by the registrar before the latest time for the receipt of proxies will take precedence.
5. The form of proxy includes a vote withheld option. Please note that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of the votes for and against any particular resolution.
6. The appointment of a proxy and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated should be deposited with the Company's registrar at the address shown on the proxy form not later than not later than 48 hours before the time fixed for the meeting or 48 hours before the time for holding any adjourned meeting or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.
7. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
8. Copies of directors' service contracts with the Company are available for inspection during normal business hours at the registered office of the Company on any business day and they may also be inspected at the venue of the meeting from 30 minutes prior to the start of the meeting until the conclusion of the meeting.
9. Except as provided above, members who have general queries about the meeting should contact the Company secretary in writing at the Company's registered office. No other methods of communication will be accepted.