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If you have sold or otherwise transferred all of your existing holding of Ordinary Shares in Rightster Group plc, please forward this Document and the accompanying Form of Proxy to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or any other jurisdiction where doing so may constitute a violation of local securities laws or regulations.

This Document does not constitute a prospectus for the purpose of the Prospectus Rules or an admission document for the purpose of the AIM Rules. Accordingly, this Document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of Section 21 of FSMA.

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## **RIGHTSTER GROUP PLC**

(incorporated and registered in England and Wales with registered number 8754680)

**Placing of 27,868,896 new Ordinary Shares of 0.1 pence per share  
at a price of 18 pence per share, Loan Note Subscription, Proposed Amendment to  
Articles of Association**

**and**

**Notice of General Meeting**

## **Cenkos Securities plc**

*Nominated Adviser and Broker*

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**Your attention is drawn to the Letter from the Chairman of Rightster Group plc which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Cenkos Securities plc is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting for the Company and for no-one else in connection with the matters described in this Document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for affording advice in relation to the matters referred to herein. Cenkos Securities plc has not authorised the contents of, or any part of, this Document and no liability whatsoever is accepted by Cenkos Securities plc for the accuracy of any information or opinions contained in this Document or for the omission of any information. No representation or warranty, express or implied, is made by Cenkos Securities plc as to, and no liability whatsoever is accepted by Cenkos Securities plc in respect of, any of the contents of this Document (without limiting the statutory rights of any person to whom this Document is issued).

Copies of this Document will be available free of charge from Rightster Group plc’s registered office, during normal business hours.

Notice of a General Meeting of Rightster Group plc to be held at the offices of Covington & Burling LLP, 265 Strand, London, WC2R 1BH, at 10.00 a.m. on 26 May 2015 is set out at the end of this Document. Shareholders will find accompanying this Document a Form of Proxy for use at the General Meeting. The Form of Proxy should be completed and returned to the Company’s registrars, Capita Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 21 May 2015. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

The Placing Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) or under the applicable securities laws of any state or other jurisdiction of the United States or any other Restricted Jurisdiction. The Placing Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within, into or in the United States, or any Restricted Jurisdiction, or to any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or to any national, resident or citizen of, or any corporation, partnership or other entity created or organised under the laws of any Restricted Jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any relevant state or other jurisdiction of the United States and any relevant Restricted Jurisdiction. The Placing Shares are being offered and sold outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act or another applicable exemption therefrom. There will be no public offer of the Placing Shares in the United States.

None of the Placing Shares, the Form of Proxy, this Document or any other document connected with the Placing have been or will be approved or disapproved by the US Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed comment upon or endorsed the merits of the offering of the Placing Shares, the Form of Proxy or the accuracy or adequacy of this Document or any other document connected with the Placing. Any representation to the contrary is a criminal offence.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of the London Stock Exchange. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. 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 independent financial adviser.

This Document contains statements about Rightster Group plc that are or may be “forward-looking statements”. All statements, other than statements of historical facts, included in this Document may be forward-looking statements and are subject to, *inter alia*, known and unknown risks, uncertainties and other factors. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, “would”, “could”, “continue” or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: managements’ strategic vision, aims and objectives; the effect of competition; trends in results of operations; margins; and exchange rates. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of Rightster Group plc. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules and the Disclosure Rules), Rightster Group plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Rightster Group plc or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this Document are based on information available to the Directors of Rightster Group plc at the date of this Document, unless some other time is specified in relation to them, and the posting or receipt of this Document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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## INDICATIVE TIMETABLE

Announcement of the Placing and posting of the Circular and Form of Proxy	7 May 2015
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 21 May 2015
General Meeting	10.00 a.m. on 26 May 2015
Results of General Meeting and Placing announced through RNS	26 May 2015
Admission becomes effective and commencement of dealings in Placing Shares on AIM	8.00 a.m. on 27 May 2015
Placing Shares to be held in uncertificated form credited to CREST stock accounts	27 May 2015
Despatch of definitive share certificates for Placing Shares to be held in certificated form	Within 14 days after Admission

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**Notes:**

- (1) References to times in this Document are to London time (unless otherwise stated).
- (2) The dates and timing of the events in the above timetable and in the rest of this Document are indicative only and may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through an RNS.

## PLACING STATISTICS

Market price per Existing Ordinary Share <sup>(1)</sup>	18.5 pence
Number of Existing Ordinary Shares in issue <sup>(2)</sup>	194,480,603
Issue Price of each Placing Share	18 pence
Discount to Existing Ordinary Shares <sup>(3)</sup>	2.7 per cent.
Number of Placing Shares to be offered by the Company	27,868,896
Estimated proceeds of the Placing (before expenses) <sup>(4)</sup>	£5.02 million
Enlarged Share Capital following Admission <sup>(4)</sup>	222,349,499
Percentage of Enlarged Share Capital represented by the Placing Shares <sup>(4)</sup>	approx. 12.5 per cent.

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**Notes:**

- (1) Closing Price on AIM on 6 May 2015, being the last Business Day prior to the date of this Document.
- (2) As at 6 May 2015, being the last Business Day prior to the date of this Document.
- (3) Being the percentage discount which the Issue Price represents to the Closing Price on AIM on 6 May 2015.
- (4) Assuming the issue of all the Placing Shares.

## DEFINITIONS

The following definitions and terms apply throughout this Document and in the accompanying Form of Proxy unless otherwise stated or the context requires otherwise:

“Act”	the Companies Act 2006, as amended
“Admission”	the admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
“Articles”	the current articles of association of the Company as adopted on 8 November 2013
“Board” or “Directors”	the directors of Rightster whose names appear on page 8 of this Document
“Business Day”	a day other than a Saturday or Sunday on which banks are open for commercial business in the City of London
“Cenkos”, “Nominated Adviser” or “Nomad”	Cenkos Securities plc, a company incorporated in England and Wales with registered number 05210733 and having its registered office at 6.7.8 Tokenhouse Yard, London EC2R 7AS
“certificated form”	not in an uncertificated form
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange
“Company” or “Rightster”	Rightster Group plc, a company incorporated in England and Wales with registered number 8754680 and having its registered office at Third Floor, 1 Neal Street, London WC2H 9QL
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form (in respect of which Euroclear is the operator as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“Disclosure Rules” or “DTR”	the Disclosure and Transparency Rules made by the UKLA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to trading on a regulated market
“Document”	this Document which, for the avoidance of doubt, does not comprise a prospectus (under the Prospectus Rules) nor an admission document (under the AIM Rules)
“Dollar” or “\$”	the lawful currency of the United States
“Enlarged Share Capital”	the issued Ordinary Share capital of Rightster immediately following completion of the Placing
“Euroclear”	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
“Existing Authorities”	the authorities granted to the Directors to allot Ordinary Shares and to disapply pre-emption rights pursuant to (i) certain of the Shareholder resolutions passed at the annual general meeting of the Company held on 10 June 2014 and (ii) the Shareholder resolutions passed at the general meeting of the Company held on 25 July 2014.
“Existing Ordinary Shares”	each Ordinary Share in issue as at the date of this Document

<b>“FCA”</b>	the Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy enclosed with this Document for use by Shareholders in connection with the General Meeting
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fundraising”</b>	together the Placing and the Loan Note Subscription
<b>“General Meeting”</b>	the general meeting of Rightster convened by the notice set out in this Document to be held at 10.00 a.m. on 26 May 2015 at the offices of Covington & Burling LLP, 265 Strand, London, WC2R 1BH
<b>“Group”</b>	the Company and its subsidiaries from time to time
<b>“IAML”</b>	Invesco Asset Management Limited, a wholly owned subsidiary of Invesco Limited, acting as agent for and on behalf of its discretionary managed clients
<b>“Issue Price”</b>	18 pence per Placing Share
<b>“Loan Note Instrument”</b>	the convertible loan note instrument executed by the Company on 6 May 2015 to create the Loan Notes, none of which have yet been issued
<b>“Loan Note Maturity Date”</b>	the second anniversary of the date of issue of the Loan Notes
<b>“Loan Notes”</b>	the £383,598.72 unsecured convertible loan notes of the Company constituted by the Loan Note Instrument
<b>“Loan Note Shares”</b>	an aggregate amount of 2,131,104 new Ordinary Shares into which the Loan Notes will convert at the Issue Price, and assuming all the Loan Notes convert
<b>“Loan Note Subscriber”</b>	Plum Tree, an existing Shareholder of the Company
<b>“Loan Note Subscription”</b>	the conditional subscription for Loan Notes by the Loan Note Subscriber at the Issue Price
<b>“Loan Note Subscription Letter”</b>	the subscription letter dated 6 May 2015 between the Loan Note Subscriber and the Company relating to the Loan Note Subscription
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Notice of General Meeting”</b>	the notice of the General Meeting, which is set out at the end of this Document
<b>“Official List”</b>	the Official List of the UKLA
<b>“Ordinary Shares”</b>	ordinary shares of 0.1 pence each in the capital of the Company
<b>“Placees”</b>	subscribers for the Placing Shares, as procured by Cenkos on behalf of the Company pursuant to the Placing Agreement
<b>“Placing”</b>	the conditional placing by Cenkos of the Placing Shares at the Issue Price pursuant to, and on the terms of, the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 7 May 2015 between Cenkos and the Company relating to the Placing
<b>“Placing Shares”</b>	27,868,896 new Ordinary Shares to be issued pursuant to the Placing
<b>“PlumTree”</b>	Plum Tree Limited, a company incorporated and registered in the Isle of Man with company number 127455C whose registered office is at Capital House, 31 High Street, Port St Mary, Isle of Man, IM9 5DP
<b>“Prospectus Rules”</b>	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC
<b>“Registrars”</b>	Capita Asset Services

<b>“Related Party Transaction”</b>	WIM’s, Vesuvius’ and IAML’s subscriptions for an aggregate of 21,989,881 Placing Shares as described in paragraph 6 of the letter from the Chairman of the Company below
<b>“Relationship Agreement”</b>	the relationship agreement dated 11 November 2013 between the Company, Vesuvius and Cenkos
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
<b>“Restricted Jurisdictions”</b>	the United States, Australia, Canada, Japan, New Zealand and the Republic of South Africa
<b>“RNS”</b>	a regulatory information service operated by the London Stock Exchange as defined by the AIM Rules
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Sterling” or “£”</b>	the lawful currency of the United Kingdom
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UKLA”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“uncertificated form”</b>	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
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<b>“VAT”</b>	value added tax
<b>“Vesuvius”</b>	Vesuvius Limited, a company registered in Gibraltar whose registered office is at Suite 2-1A, Leisure Island Business Centre, 23 Ocean Village Promenade, PO Box 1300, Gibraltar
<b>“WIM”</b>	Woodford Investment Management LLP

# LETTER FROM THE CHAIRMAN OF RIGHTSTER GROUP PLC

(Incorporated and registered in England and Wales with registered number 8754680)

## Directors:

Mark Stephen Lieberman (*Chairman*)  
Patrick Joseph Walker (*Chief Executive Officer*)  
Niall Martin Dore (*Chief Financial Officer*)  
John Anthony Barnett (*Non-Executive Director*)  
Michael Charles Broughton (*Non-Executive Director*)  
David Carr Mathewson (*Non-Executive Director*)

## Registered Office:

Third Floor  
1 Neal Street  
London  
WC2H 9QL

7 May 2015

Dear Shareholder

**Placing of 27,868,896 new Ordinary Shares at a price of 18 pence per share, Loan Note Subscription,  
Proposed Amendment to Articles  
and  
Notice of General Meeting**

## 1. Introduction

The Company announces that it proposes to raise approximately £5 million (before expenses) by means of a Placing, with existing investors, of 27,868,896 Placing Shares at a price of 18 pence per new Ordinary Share. The Issue Price represents a discount of approximately 2.7 per cent. to the Closing Price on 6 May 2015, being 18.5 pence per Ordinary Share.

The Placing is conditional, *inter alia*, on the passing of the Resolutions at the General Meeting.

In connection with the Placing the Loan Note Subscriber has conditionally agreed pursuant to the Loan Note Subscription Letter to subscribe for Loan Notes in the aggregate amount of approximately £384,000. The Loan Notes will, when issued and subject to the satisfaction of certain conditions, be convertible into new Ordinary Shares at the Issue Price. Further details of the Loan Note Instrument are set out in paragraph 5 below. In connection with, and to enable, the Loan Note Subscription it is proposed to amend the borrowing powers of the Company as currently set out in the Articles.

The Loan Note Subscription is conditional, *inter alia*, on (i) the Placing Agreement not having been terminated, (ii) Admission and (iii) the passing of the Resolutions at the General Meeting.

This letter explains why the Board believes that the Placing and the Loan Note Subscription are in the best interests of the Company and the Shareholders as a whole and unanimously recommends that you vote in favour of the Resolutions to be proposed at the General Meeting to be held at 10.00 a.m. on 26 May 2015 as the Directors intend to do in respect of their own holdings of Ordinary Shares.

WIM, Vesuvius, Plum Tree and IAML, significant shareholders who in aggregate have an interest in 149,085,242 Existing Ordinary Shares, representing approximately 76.66 per cent. of the existing ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions to be proposed at the General Meeting.

On 28 January 2015, the Company announced that Charlie Muirhead had stepped down as CEO but would continue to be a member of the Board. Charlie Muirhead ceased to be a Director of the Company with immediate effect on 6 May 2015.

Shareholders should be aware that, if the Resolutions are not approved at the General Meeting, the net proceeds of the Fundraising will not be received by the Company and therefore the Company would need to explore alternative financing arrangements to ensure it has sufficient working capital for at least the next 12 months.

## 2. Rightster

Rightster simplifies the distribution and monetisation of online video through its software powered solutions. The Company distributes content to enterprise and long tail clients. The Company brings together content owners, creators, brands and publishers and helps them build and engage audiences online with increased efficiency. As a Multi-Platform Network, Rightster enables clients to

commercialise their content to audiences worldwide on some of the most popular online video platforms such as YouTube. With 13 offices in 11 countries, Rightster has local knowledge and global reach.

The US\$230 billion TV advertising market faces challenges as audiences move to multiple online video platforms and devices. As a result, the online video market is growing rapidly and TV advertising budget is progressively shifting to online video. A recent report by ZenithOptimedia (Executive summary: Advertising Expenditure Forecasts March 2015) predicts global advertising expenditure will reach US\$544 billion by the end of 2015. Within this global advertising expenditure, it estimates that online video is growing faster than any other digital category or sub-category, growing 34 per cent. to \$10.9 billion in 2014, and forecast to grow at an average of 29 per cent. a year to reach US\$23.3 billion in 2017.

The Directors believe that the Company is well positioned to capitalise on the opportunities in the market. The Company is content, platform and device neutral and its technology, expertise and data-driven insights enable it to simplify the fragmented online video market for its stakeholders, including content owners, creators, brands and publishers. The benefits for content owners are maximised revenue, global reach and increased efficiency whilst creators are able to grow faster and earn more from new opportunities. Brands can find some of the most influential content creators such as Remi Gaillard -number 1 YouTuber in France by views- on the Rightster network and obtain TV scale and valuable insights whilst publishers can source video for their sites, grow their audiences and drive revenue. With a current network of 2,500+ content owners and 10,500+ publishers, the Directors believe that Rightster has the scale and expertise to enable 'Rightcasting' for all these stakeholders – distributing the right video to the right audience in the right place at the right time.

Rightster's business model is based around three core capabilities:

- **Flexible monetisation models**

Rightster supports a range of commercial models including revenue share, subscription, licensing and fee based services.

- **Advanced managed services**

Rightster has recently enhanced its brand offering and can also offer YouTube channel management expertise and social video management know-how.

- **Software and data powered services**

Rightster's platform can manage, distribute and protect complex international rights across multiple platforms and unify data from a wide range of sources to obtain valuable insights for both clients and the Company.

Following the recent acquisitions of Base79 Limited ("Base79") and Viral Management Limited ("VML"), Rightster is now one of the largest Multi-Channel Networks (MCN) outside of the USA. The Company is now winning lucrative deals including a 3.5 year deal with the Arts Council England, worth £1.8 million, to establish and manage their MCN for the arts, partnerships with Turkish Airlines that generated 10.7 million YouTube views, Microsoft Lumia for innovative global YouTube campaigns, Sony Music Entertainment, and more recently an extension of a global partnership with 20th Century Fox to include 10 additional international territories.

The integration of the acquired businesses is almost complete and the Directors have identified material cost synergies that should result in annualised cost savings of approximately £3 million per annum. The newly appointed management team anticipate net revenues for 2015 to grow 80 to 100 per cent. from 2014, with cash flow breakeven expected in 2016.

### **3. Trading Update**

Rightster has released today its audited preliminary results for the 12 months ended 31 December 2014. Key highlights include:

- Total Transaction Value\* has risen from £11.0 million in 2013 to £18.3 million in 2014
- Net Revenue has increased from £6.2 million in 2013\*\* to £8.7 million in 2014
- Gross Profit has grown from £0.6 million in 2013 to £3.9 million in 2014
- Average monthly video views have risen to 1.2 billion in H2 2014 (369 per cent. growth from H2 2013)

- Content owners have increased from 850+ to 2,500+. Publishers have grown from 7,500+ to 10,500+

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\* Total Transaction Value shows the total amount of business facilitated through Rightster. It sums the total exchange of revenue between Rightster partners before distribution of revenue share.

\*\* After adjusting for terminated contracts, net revenue in 2013 was £3.0m.

The Company also included a Q1 2015 update in its preliminary results announcement, showing that strong growth in its online video traffic continues, with average monthly video views for Q1 estimated at 1.6 billion. It has also surpassed 72 million subscribers and reached 124 million unique viewers across its YouTube network. Significant deals in Q1 included an extension of a global partnership with 20th Century Fox, with Rightster now fully managing Fox's branded content across 17 international territories. In addition, Rightster has expanded its international reach through further deals with Amutus (the Japanese Gaming Company), Yahoo AUNZ, Bauer Media Australia and Coconuts Media (a Hong Kong and Singapore-based web production company).

#### 4. The Placing

The Company has conditionally placed 27,868,896 new Ordinary Shares at 18 pence per share with existing investors to raise approximately £5 million before expenses, assuming the issue of all the Placing Shares. The Placing Shares will, when issued, rank in full for all dividends declared, made or paid after the date of their Admission and otherwise *pari passu* with the existing Ordinary Shares.

In addition, certain of the Directors and senior managers intend to subscribe an aggregate amount of £110,000 for new Ordinary Shares once the Company ceases to be in a close period for the purposes of the AIM Rules (expected to be on publication of the audited accounts of the Company for the year ended 31 December 2014) at a price to be agreed.

##### *The Placing Agreement*

In connection with the Placing, the Company and Cenkos have entered into the Placing Agreement pursuant to which and conditional upon, *inter alia*, Admission of the Placing Shares taking place on or before 27 May 2015 (or such later time and date as the Company and Cenkos may agree, being no later than 10 June 2015) Cenkos has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not underwritten.

The Placing Agreement contains customary warranties and an indemnity from the Company in favour of Cenkos together with provisions which enable Cenkos to terminate the Placing Agreement in certain circumstances prior to Admission (as applicable), including where any warranties are found to be untrue, inaccurate or misleading in any material respect or in the event of a material adverse change in the financial position or prospects of the Group in the context of the Placing or Admission.

Under the Placing Agreement the Company has agreed to pay Cenkos a fee which will be settled in full in new Ordinary Shares issued at the Issue Price. The Company has also agreed to pay all other costs, charges and expenses incidental to the Placing and Admission.

##### *Settlement and dealings*

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Assuming that the Resolutions are passed, it is expected that Admission will become effective and dealings in the Placing Shares will commence at 8.00 a.m. on 27 May 2015.

#### 5. Loan Note Instrument

In connection with the Placing and Loan Note Subscription, the Company has executed the Loan Note Instrument for the creation of unsecured Loan Notes of the Company in the aggregate principal amount of £383,598.72. Currently, no Loan Notes have been issued.

Conditional upon, *inter alia*, (i) the Placing Agreement not having been terminated, (ii) Admission and (iii) the passing of the Resolutions at the General Meeting, the Loan Note Subscriber has agreed to subscribe for Loan Notes pursuant to the terms of the Loan Note Instrument and the Loan Note Subscription Letter. Completion of the Loan Note Subscription is expected to take place in early August 2015.

Pursuant to the terms of the Loan Note Instrument the Loan Notes are redeemable on the Loan Note Maturity Date and in other limited circumstances. In addition, the Loan Notes are convertible

into new Ordinary Shares at the Issue Price subject to the prior satisfaction of certain conditions including, but not limited to, (i) the conversion occurring no earlier than fifteen days after issue of the Loan Notes; and (ii) the conversion not resulting in the Loan Note Subscriber (or any person acting in concert with the Loan Note Subscriber) having an obligation to make an offer for the Company under rule 9 of the Takeover Code (or any such obligation being ‘whitewashed’).

Interest accrues on the principal amount of the Loan Notes outstanding at a rate of 5 per cent. per annum and will be payable in cash. Interest does not convert into new Ordinary Shares, but is repaid when the principal amount of Loan Notes to which it relates is either repaid or converted into new Ordinary Shares. The Loan Notes are not transferable except with the consent of the Company and those persons holding not less than 66.66 per cent. of the Loan Notes outstanding from time to time. To enable the Loan Notes to be issued and to provide for future flexibility it is proposed to amend the borrowing powers of the Company as set out in the Articles. Currently, the Company’s borrowing limit is two times its adjusted capital and reserves. As the Company has significant intangible assets on its balance sheet its adjusted capital and reserves are currently a negative number. Consequently, it is proposed to amend the Articles to change the Company’s borrowing limit to the greater of (i) £30 million and (ii) two times the Company’s adjusted capital and reserves. Resolution number 3 in the Notice of General Meeting will be proposed as a special resolution at the General Meeting for this purpose.

## **6. Related Party Transaction and Relationship Agreement**

As part of the Placing, it is proposed that Vesuvius, IAML and WIM will subscribe, at the Issue Price, for 5,555,556 Placing Shares, 10,878,769 Placing Shares and 5,555,556 Placing Shares respectively. The proposed allotment and issue of the above Placing Shares to Vesuvius, IAML and WIM will constitute a “Related Party Transaction” for the purpose of AIM Rule 13 as a result of Vesuvius, IAML and WIM being “substantial shareholders” as defined in the AIM Rules. As at the date of this document, Vesuvius holds 25.95 per cent., IAML holds 28.13 per cent and WIM holds 19.72 per cent. of the Existing Ordinary Shares. The Directors consider, having consulted with Cenkos, that the terms of the Related Party Transaction are fair and reasonable insofar as the Company’s shareholders are concerned.

As at the date of this document, Vesuvius holds 25.95 per cent. of the Existing Ordinary Shares and is a party to the Relationship Agreement which regulates aspects of the relationship between the Company and Vesuvius. Currently, the only operative provision of the Relationship Agreement is the right of Vesuvius to nominate a director to be appointed to the Board, which right continues for so long as Vesuvius (together with its associates) have an interest in 10 per cent. or more of the issued share capital of the Company. The current nominated director is John Anthony Barnett. Certain other provisions of the Relationship Agreement which previously regulated aspects of the relationship between Vesuvius and the Company ceased to have effect when Vesuvius’ shareholding (together with that of its associates) in the capital of the Company ceased to represent 30 per cent. or more of all voting rights in the Company. In certain circumstances, in the event that the voting rights attaching to Vesuvius’ shareholding (together with that of its associates) in the capital of the Company will represent at least 30 per cent. of all voting rights in the Company at any time on or before 28 July 2015, the lapsed provisions of the Relationship Agreement will, once again, apply to Vesuvius.

## **7. Use of proceeds**

The Placing will raise a gross amount of approximately £5 million and the Loan Note Subscription will raise a gross amount of £383,598.72. The net proceeds of the Fundraising are expected to provide the Company with working capital to fund the continued operations and improvements of the business as well as to accelerate its growth.

## **8. Acquisition updates and further issue of Ordinary Shares**

### *Base79 Earn-out*

Base79 was acquired by the Company in August 2014 for a total consideration of up to £51 million. The maximum purchase price of £51 million included a deferred element of up to a maximum of £25 million (the “Base79 Earn-out”). Subject to the satisfaction of certain earn-out conditions during the period which ended on 30 April 2015, the Base79 Earn-out is payable in Q3 2015. The current forecast range for the Base79 Earn-out is approximately £22 million to £24 million.

Subject only to the Company exercising its right to pay all or part of the Base79 Earn-out in cash, the Base79 Earn-out will be satisfied by the issue to the Base79 vendors of new Ordinary Shares.

Such new Ordinary Shares will be issued at a price per Ordinary Share equal to the average closing mid-price for Ordinary Shares (as shown in the Daily Official List of the London Stock Exchange) for the five trading days prior to the date of payment of the Base79 Earn-out. If settlement in full of a Base79 vendor's share of the Base79 Earn-out in new Ordinary Shares would result in the issue to such vendor (together with its concert parties) of new Ordinary Shares representing more than 29.99 per cent. of the issued share capital of the Company ("the Ownership Threshold") the Company can only issue an aggregate number of new Ordinary Shares to such vendor (and its concert parties) equal to the Ownership Threshold. In such circumstances, and subject to the Company exercising its right to pay all or part of the relevant earn-out amount in cash, the balance of a vendor's share of the Base79 Earn-out will be satisfied by the Company issuing to the relevant vendor unsecured loan notes. Such unsecured loan notes would accrue interest at a rate of 10 per cent. per annum payable monthly with a maturity date of 5 years from the date of issue (subject to the right of the Company to repay earlier without penalty).

#### *Viral Management Limited Deferred Consideration*

VML was acquired by the Company in July 2014, for a total consideration of up to £4,049,750 payable in a mixture of cash and new Ordinary Shares. The maximum purchase price included an amount of up to £1,699,875 in deferred consideration ("VML Deferred Consideration"). The VML Deferred Consideration is payable following the first anniversary of completion of the acquisition of VML subject to certain milestones relating to the business of VML and the Company being achieved during the 12 months commencing on the first day of the calendar month immediately following completion of the acquisition. The VML Deferred Consideration will be satisfied by the payment of cash and new Ordinary Shares issued at the average Closing Price for the 20 Business Days preceding the date of payment of the VML Deferred Consideration. The Company will pay not less than 50 per cent. of the VML Deferred Consideration in cash (with the remainder in new Ordinary Shares) but can elect to pay up to 88.672 per cent. of the VML Deferred Consideration in cash (with the remainder in new Ordinary Shares).

#### **9. Effect of the Placing, Loan Note Subscription and Admission**

On Admission, the Enlarged Share Capital is expected to be 222,349,499 Ordinary Shares. On this basis, the Placing Shares will together represent approximately 12.5 per cent. of the Enlarged Share Capital.

In addition, the Loan Notes in the aggregate principal amount of £383,598.72 will, subject to the satisfaction of certain conditions, be convertible at the Issue Price into the Loan Note Shares. Assuming full conversion, the Loan Note Shares will represent approximately 0.95 per cent. of the Enlarged Share Capital.<sup>1</sup>

#### **10. Resolutions**

The Resolutions to be proposed at the General Meeting are, in summary, as follows:

- (1) an ordinary resolution, to grant the Directors authority to allot the Placing Shares and the Loan Notes;
- (2) a special resolution, to disapply pre-emption rights under the Act in respect of the allotment of the Placing Shares and the Loan Notes; and
- (3) a special resolution, to amend the Articles to change the borrowing powers of the Company as described in paragraph 5 above.

The authorities set out in Resolutions 1 and 2 are in addition to the Existing Authorities.

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<sup>1</sup> Note: The calculation of the number of Loan Note Shares to be issued pursuant to the Loan Note Instrument is based on the conversion of all principal Loan Notes (excluding interest) at the Issue Price.

### 11. Irrevocable Undertakings

The Company has received irrevocable undertakings to vote, or to procure votes of Existing Ordinary Shares held, in favour of the Resolutions from the following Shareholders representing, in aggregate, 76.66 per cent. of the Existing Ordinary Shares:

Shareholder	Existing Ordinary Shares in respect of which irrevocable undertakings have been received
IAML	54,714,333
Vesuvius	50,459,092
WIM	38,350,000
Plum Tree	5,561,817

### 12. General Meeting and action to be taken

A notice convening the General Meeting to be held at the offices of Covington & Burling LLP, 265 Strand, London, WC2R 1BH at 10.00 a.m. on 26 May 2015 is set out at the end of this Document. A Form of Proxy for use by Shareholders in connection with the General Meeting is also enclosed with this Document.

Whether or not you propose to attend the General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's registrars, by post to Capita Asset Services, PXS1, 34 Beckenham Road, Kent BR3 4ZF or, by hand delivery to Capita Asset Services, The Registry, 34 Beckenham Road, Kent BR3 4TU, as soon as possible and in any event so as to arrive no later than 10.00 a.m. on 21 May 2015. Completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you so wish.

### 13. Recommendation

The Directors consider the Placing and the Loan Note Subscription to be in the best interests of the Company and the Shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect or their own holdings of Ordinary Shares.

Copies of this Document will be available for inspection free of charge at the registered office of the Company during normal business hours on any Business Day from the date of this Document up to and including the date of Admission.

Yours faithfully

**Mark Lieberman**

Chairman

7 May 2015

## **NOTICE OF GENERAL MEETING**

# **RIGHTSTER GROUP PLC**

*(Incorporated and registered in England and Wales with registered number 8754680)*

NOTICE IS HEREBY GIVEN that a General Meeting of Rightster Group plc (the “Company”) will be held at the offices of Covington & Burling LLP, 265 Strand, London, WC2R 1BH at 10.00 a.m. on 26 May 2015 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 Resolutions 2 and 3 will be proposed as special resolutions.

In this notice words and defined terms shall have the same meanings as words and defined terms in the document to which this notice is attached

### **ORDINARY RESOLUTION**

1. THAT the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act (in addition to all existing authorities conferred upon the Directors pursuant to section 551 of the Act, including the Existing Authorities, which shall continue in full force and effect), to exercise all the powers of the Company to allot Ordinary Shares in the capital of the Company and to grant rights to subscribe for or convert any security into such Ordinary Shares (all of which transactions are hereafter referred to as an allotment of “Relevant Securities”) up to an aggregate nominal value of:
  - a. £27,869 in connection with the Placing; and
  - b. £2,132 in connection with the issue of the Loan Notes and the Loan Note Subscription, provided that, such authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) 18 months after the date of the passing of this Resolution, but the Company may before such expiry, revocation or variation make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry, revocation or variation and the Directors may allot Relevant Securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.

### **SPECIAL RESOLUTION**

2. THAT subject to and conditional only on the passing of Resolution 1 above, (and in addition to all existing unexercised powers of the Directors under sections 570 and 571 of the Act, including the Existing Authorities, which shall continue in full force and effect) the Directors be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 above as if section 561 of the Act did not apply to any such allotment, provided that the power conferred by this Resolution shall:
  - (a) be limited to the allotment of up to an aggregate of:
    - (i) £27,869 in nominal value in connection with the Placing; and
    - (ii) £2,132 in nominal value in connection with the issue of the Loan Notes and the Loan Note Subscription; and
  - (b) subject to the continuance of the authority conferred by Resolution 1 above, expire (unless previously renewed, varied or revoked by the Company in general meeting) 18 months after the date of the passing of this Resolution, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power hereby conferred had not expired or been revoked or varied.

## SPECIAL RESOLUTION

3. THAT the Articles be and are hereby amended by inserting in Article 40.2 immediately after the word “exceed” the following additional words: “the greater of (i) £30 million and (ii)”.

### BY ORDER OF THE BOARD

Gerard Cranley  
Company Secretary

Dated: 7 May 2015

Registered office:  
Third Floor  
1 Neal Street  
London  
WC2H 9QL

### Notes to the notice of General Meeting

#### Proxies

1. A form of proxy is enclosed for your use.
2. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of his rights to attend, to speak and to vote on his/her behalf. A proxy need not be a member of the Company. 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 him or her. Each such proxy will have the right to vote on a poll in respect of the number of votes attaching to the number of shares in respect of which the proxy has been appointed. Where more than one joint member purports to appoint a proxy in respect of the same shares, only the appointment by the most senior member will be accepted, as determined by the order in which their names appear in the Company's register of members. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or other authority (if any), must be completed, signed and deposited with the Company's registrars, Capita Asset Services, in the envelope provided to PXS1, 34 Beckenham Road, Kent BR3 4ZF, by no later than 10.00 a.m. on 21 May 2015 (or not less than 48 hours before the time of any adjourned meeting), or, in the case of a poll taken more than 48 hours after the date of the meeting (or adjourned meeting), not less than 24 hours before the time appointed for the taking of the poll. Members who intend to appoint more than one proxy can obtain additional forms of proxy from Capita Asset Services. Alternatively, the form provided may be photocopied prior to completion. The forms of proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made. If you are a CREST member, see note 6 below.
3. An abstention option has been included on the form of proxy. The legal effect of choosing the abstention option on any resolution is that the member concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
4. Completion of a form of proxy or any CREST Proxy Instruction will not preclude a member from attending and voting in person at the meeting or any adjournment thereof should he/she wish to do so.
5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.00pm on 24 May 2015 or, in the event that the meeting is adjourned, in the register of members of the Company not less than 48 hours before the time of the adjourned meeting, shall be entitled to attend and vote (whether in person or by proxy) at the General Meeting in respect of the number of shares registered in their name at the relevant time. Subsequent changes to entries in the register of members will be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting (as the case may be).
6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held at 10.00 a.m. on 26 May 2015 at the offices of Covington & Burling LLP, 265 Strand, London, WC2R 1BH and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual available via [www.euroclear.com/](http://www.euroclear.com/) CREST. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by the Company's agent, Capita Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

7. Any corporation that is a member can appoint one or more corporate representatives who have one vote each on a show of hands and otherwise may exercise on its behalf all of its powers as a member provided that they do not do so in different ways in relation to the same shares.
8. Members, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the meeting. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy. Other than this, there are no procedures with which any such persons must comply in order to attend and vote at the meeting.
9. Members, proxies and authorised representatives may raise questions at the meeting concerning the business being dealt with at the meeting and will receive answers, except that a question need not be answered where it would interfere unduly with the conduct of the meeting, would involve the disclosure of confidential information, where the answer has already been given on a website in the form of an answer to a question or where it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

**Communication**

10. You may not use any electronic address (within the meaning of Section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

