

THIS DOCUMENT AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. This document contains resolutions to be voted on at a general meeting of the Company to be held at 10.30 a.m. on 2 March 2020. If you are in any doubt about the contents of this document or as to the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or, if not, another appropriately authorised independent adviser duly qualified in your jurisdiction, who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document immediately, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction or any other jurisdiction where to do so may constitute a violation of local securities laws or regulation. If you have sold or transferred only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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 FCA. 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. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Placing Shares to the Official List or any other recognised investment exchange. Furthermore, neither the London Stock Exchange nor the FCA has itself examined or approved the contents of this document.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made for the Placing Shares to be admitted to trading on AIM. Subject to, amongst other things, the Resolutions being passed, it is expected that Admission will become effective and dealings in the Placing Shares will commence on AIM on 4 March 2020. The Placing Shares being issued pursuant to the Placing will on Admission rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with the Existing Ordinary Shares.

This document does not contain any offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Members of the public are not eligible to take part in the Placing. The issue of the Placing Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of the FSMA or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA or otherwise or an admission document for the purposes of the AIM Rules and has not been drawn up in accordance with the Prospectus Regulation Rules or the AIM Rules or approved by the FCA, the London Stock Exchange, or any other competent authority or regulatory body and has not been approved for the purposes of section 21 of FSMA or otherwise.

Sosandar plc

(incorporated and registered in England and Wales with registered number 05379931)

Placing of 29,411,764 new Ordinary Shares at 17 pence per share

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 12 to 16 of this document and which contains the Directors’ unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

This document should be read in conjunction with the Notice of General Meeting and accompanying Form of Proxy. Notice of a General Meeting of the Company, to be held at the Company's registered office at 40 Water Lane, Wilmslow, Cheshire, SK9 5AP on 2 March 2020 at 10.30 a.m., is set out on pages 17 to 20 of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned together with the power of attorney or other authority (if any) under which the Form of Proxy is signed or a certified copy of such power of attorney or authority as soon as possible and, in any event, so as to reach the Company's registrar, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR by no later than 10.30 a.m. on 27 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

If you have any questions relating to return of the Form of Proxy, please telephone Sosandar's registrar, Share Registrars Limited, on 01252 821390 from within the UK. If you are outside the UK please call +44 (0) 1252 821390. Calls will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. Monday to Friday, excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. Different charges may apply to calls from mobile telephones. The helpline cannot provide advice on the merits of the Placing nor give any financial, legal or tax advice.

If you hold your Ordinary Shares in Uncertificated Form (i.e. in CREST), you may appoint a proxy by completing and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by the Company's registrar, Share Registrars Limited (under CREST Participation ID: 7RA36) by no later than 10.30 a.m. on 27 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The time of receipt will be taken to be the time from which the Company's registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Shore Capital and Corporate Limited ("SCC"), which is authorised and regulated by the FCA, is acting as nominated adviser to the Company for the purposes of the AIM Rules. Shore Capital Stockbrokers Limited ("SCS"), which is a member of the London Stock Exchange and is authorised and regulated by the FCA, is acting as sole broker to the Company in the United Kingdom for the purposes of the AIM Rules. Persons receiving this document should note that SCC and SCS are acting exclusively for the Company and no one else and will not be responsible to anyone, other than the Company, for providing the protections afforded to customers of SCC and SCS or for advising any other person on the transactions and arrangements described in this document. No representation or warranty, express or implied, is made by SCC or SCS as to any of the contents of this document in connection with the Placing, or otherwise. It is noted that SCC, as nominated adviser to the Company, and SCS, as broker to the Company, owe certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors, Shareholders or any other person.

This document does not constitute or form part of any offer or invitation to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefor. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

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 “targets”, “aims”, “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, “would”, “could” 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, amongst 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 are not guarantees of future performance and have not been reviewed by the auditors of the Company.

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 available at the date of this document, they may prove to be incorrect and the posting or receipt of this document shall not give rise to any implication that there have been no changes in the facts set forth herein since such date. Investors should not place undue reliance on such forward-looking statements, and save as required by law or by the AIM Rules, or by MAR, the Company undertakes no obligation to release publicly 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. All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above.

Notice to overseas persons

Nothing in this document, the Form of Proxy or any other document in connection with the Placing constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States or any other Restricted Jurisdiction. The Placing Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. There will be no public offer of the Placing Shares in the United States. 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) 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 have not been recommended by any US federal or state securities commission or regulatory authority, or by any other regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document, the Form of Proxy or any other document in connection with the Placing. Any representation to the contrary is a criminal offence in the United States.

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. This document and the Form of Proxy may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this document or the Form of Proxy in whole or in part is unauthorised. Any failure to comply with these restrictions may constitute a violation of the Securities Act and/or the securities laws of any such jurisdiction.

Basis on which information is presented

In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

References to defined terms

Certain terms used in this document are defined and explained in the section of this document headed “Definitions”.

All times referred to in this document are, unless otherwise stated, references to London time (unless otherwise stated).

Website

In accordance with the AIM Rules, this document will be available on the Company’s website (www.Sosandar-ir.com) from the date of this document, free of charge.

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DEFINITIONS

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

“2019 AGM”	the annual general meeting of the Company held on 23 September 2019;
“Act”	the Companies Act 2006 (as amended from time to time);
“Admission”	Firm Placing Admission and Conditional Placing Admission;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);
“Company” or “Sosandar”	Sosandar plc, a company incorporated and registered in England and Wales with registered number 05379931;
“Conditional Placing”	subject to receiving shareholder approval at the General Meeting, the placing of the Conditional Placing Shares at the Placing Price on behalf of the Company pursuant to the Placing Agreement;
“Conditional Placing Admission”	admission of the Conditional Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Conditional Placing Shares”	the 4,983,314 new Ordinary Shares to be issued and allotted by the Company pursuant to the Conditional Placing, of which no new Ordinary Shares will be EIS Placing Shares, 589,915 new Ordinary Shares will be VCT Placing Shares and 4,393,399 new Ordinary Shares will be Non-EIS/VCT Placing Shares;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations) which facilitates the transfer of title to shares in Uncertificated Form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) as amended from time to time;
“Directors” or “Board”	the directors of the Company whose names are set out on page 11 of this document, or any duly authorised committee thereof;
“EIS”	Enterprise Investment Scheme under provisions of Part 5 of the Income Tax Act 2007;
“EIS Legislation”	the provisions of Part 5 of the Income Tax Act 2007 and sections 150A to 150C of, and Schedule 5B to, the Taxation of Chargeable Gains Act 1992 (in each case, as amended);
“EIS Placing”	the placing of the EIS Placing Shares;
“EIS Placing Shares”	the new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing to investors seeking to benefit from the tax advantages under the EIS Legislation;
“Enlarged Share Capital”	the sum of the Existing Ordinary Shares and the Placing Shares;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;

“Existing Ordinary Shares”	the 162,856,358 Ordinary Shares in issue at the date of this document;
“FCA”	the UK Financial Conduct Authority;
“Firm Placing”	the placing of the Firm Placing Shares at the Placing Price on behalf of the Company pursuant to the Placing Agreement, which is being undertaken using existing shareholder authorities obtained at the 2019 AGM;
“Firm Placing Admission”	admission of the Firm Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Firm Placing Shares”	the 24,428,450 new Ordinary Shares to be issued and allotted by the Company pursuant to the Firm Placing of which no new Ordinary Shares will be EIS Placing Shares, 2,891,788 new Ordinary Shares will be VCT Placing Shares and 21,536,662 new Ordinary Shares will be Non-EIS/VCT Placing Shares;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time);
“General Meeting”	the general meeting of the Company to be held at the Company’s registered office at 40 Water Lane, Wilmslow, Cheshire, SK9 5AP at 10.30 a.m. on 2 March 2020;
“Group”	the Company and its subsidiaries (as defined in the Act) as at the date of this document;
“HMRC”	Her Majesty’s Revenue & Customs;
“London Stock Exchange”	London Stock Exchange plc;
“MAR”	the Market Abuse Regulation (EU 596/2014);
“Non-EIS/VCT Placing Shares”	the new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing to investors not seeking to benefit from the tax advantages under the VCT Legislation or EIS Legislation;
“Notice of General Meeting”	the notice convening the General Meeting which is set out at the end of this document;
“Official List”	the official list of the FCA;
“Ordinary Shares”	the ordinary shares of £0.001 (0.1 pence) each in the capital of the Company;
“Placing”	the placing of the Placing Shares;
“Placing Agreement”	the conditional agreement dated 12 February 2020 and made between (1) the Company, (2) SCC and (3) SCS in relation to the Placing, further details of which are set out in this document;
“Placing Price”	17 pence per Placing Share;
“Placing Shares”	the 29,411,764 new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing, comprised of the Conditional Placing Shares and the Firm Placing Shares;

“Prospectus Regulation Rules”	the rules made for the purposes of Part VI of the FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market;
“Regulation S”	Regulation S under the Securities Act;
“Resolutions”	the resolutions set out in the Notice of General Meeting;
“Restricted Jurisdictions”	the United States, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing would breach any applicable law or regulation;
“RNS”	a regulatory information service operated by the London Stock Exchange as defined in the AIM Rules;
“SCC”	Shore Capital and Corporate Limited, the Company’s nominated adviser for the purposes of the AIM Rules;
“SCS”	Shore Capital Stockbrokers Limited, the Company’s broker for the purposes of the AIM Rules;
“Securities Act”	the US Securities Act of 1933, as amended;
“Shareholders”	holders of Ordinary Shares from time to time;
“Shore Capital”	SCC and/or SCS as the case may be;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“Uncertificated Form”	Ordinary Shares recorded on the share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred within the CREST settlement system;
“US” or “United States”	the United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction;
“VCT”	a company which is, or is seeking to become, approved as a venture capital trust under Part 6 of the Income Tax Act 2007;
“VCT Legislation”	the provisions of Part 6 of the Income Tax Act 2007 and sections 151A and 151B of the Taxation of Capital Gains Act 1992 (in each case as amended);
“VCT Placing”	the placing of the VCT Placing Shares; and
“VCT Placing Shares”	the new Ordinary Shares to be issued and allotted by the Company pursuant to the Placing to investors seeking to benefit from the tax advantages pursuant to the VCT Legislation.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2020

Announcement of the Placing via RNS and publication of this document	12 February
Latest time and date for receipt of Forms of Proxy and CREST voting instructions for the General Meeting	By 10.30 a.m. on 27 February
General Meeting	10.30 a.m. on 2 March
Announcement of the results of the General Meeting via RNS	2 March
Admission and commencement of dealings in the Firm Placing Shares and Conditional Placing Shares* on AIM	4 March
CREST accounts credited in respect of the Firm Placing Shares and, as appropriate, the Conditional Placing Shares held in Uncertificated Form	4 March
Despatch of definitive share certificates for the Firm Placing Shares and, as appropriate, the Conditional Placing Shares not held in Uncertificated Form	Within 10 Business Days of Admission

* Admission and commencement of dealings in the Conditional Placing Shares will only take effect, provided the Resolutions are passed at the General Meeting.

Notes:

1. References to times in this document are to London time (unless otherwise stated).
2. The dates and times set out in the above timetable and in the rest of this document are indicative only and may be subject to change. If any such dates and times should change, the revised times and/or dates will be notified by the Company by announcement via RNS.

STATISTICS RELATING TO THE PLACING

Number of Existing Ordinary Shares	162,856,358
Number of Placing Shares to be issued	29,411,764
– Number of Conditional Placing Shares to be issued	4,983,314
– Number of Firm Placing Shares to be issued	24,428,450
Enlarged Share Capital following Admission of the Placing Shares	192,268,122
Placing Shares expressed as a percentage of the Enlarged Share Capital	15.3 per cent.
Placing Price per Placing Share	17 pence
Gross proceeds of the Placing	£5 million
ISIN	GB00BDGS8G04
SEDOL	BDGS8G0
LEI	2138004313MO7RXAVA37

DIRECTORS, REGISTERED OFFICE AND ADVISERS

Directors	Bill Murray, <i>Non-Executive Chairman</i> Alison Hall, <i>Joint Chief Executive Officer</i> Julie Lavington, <i>Joint Chief Executive Officer</i> Mark Collingbourne, <i>Finance Director</i> Andrew Booth, <i>Non-Executive Director</i> Nicholas Mustoe, <i>Non-Executive Director</i> Adam Reynolds, <i>Non-Executive Director</i>
Company Secretary	Mark Collingbourne
Registered Office	40 Water Lane Wilmslow Cheshire SK9 5AP
Nominated Adviser	Shore Capital and Corporate Limited Cassini House 57 St James's Street London SW1A 1LD
Broker	Shore Capital Stockbrokers Limited Cassini House 57 St James's Street London SW1A 1LD
Solicitors to the Company	BPE Solicitors LLP St James' House St James' Square Cheltenham GL50 3PR
Solicitors to Shore Capital	DAC Beachcroft LLP 25 Walbrook London EC4N 8AF
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

LETTER FROM THE CHAIRMAN

Sosandar plc

(incorporated and registered in England and Wales with registered number 05379931)

Directors:

Bill Murray *Non-Executive Chairman*
Alison Hall *Joint Chief Executive Officer*
Julie Lavington *Joint Chief Executive Officer*
Mark Collingbourne *Finance Director*
Andrew Booth *Non-Executive Director*
Nicholas Mustoe *Non-Executive Director*
Adam Reynolds *Non-Executive Director*

Registered office:

40 Water Lane
Wilmslow
Cheshire
SK9 5AP

13 February 2020

To holders of Ordinary Shares

Dear Shareholders,

Placing of 29,411,764 new Ordinary Shares at 17 pence per share

and

Notice of General Meeting

1. Introduction

The Company announced yesterday that it is raising £5 million (before commissions and expenses) through an institutional placing of new Ordinary Shares at the placing price of 17 pence per new Ordinary Share. The Placing Price is a 5.6 per cent. discount to the closing mid-market price per Ordinary Share on 11 February 2020, being the last dealing day prior to the announcement of the Placing. The Placing will be comprised of a firm placing of 24,428,450 new Ordinary Shares and a further placing of 4,983,314 new Ordinary Shares which is conditional, *inter alia*, on Shareholder approval. The Placing was arranged by the Company's broker, Shore Capital, as agent for the Company. Further details of the terms of the Placing are set out below in paragraph 3 (Use of proceeds) and paragraph 7 (Details of the Placing).

The main purpose of this document is to set out the background to, and reasons for, and details of, the Placing, to explain why the Directors consider that the Placing is in the best interests of the Company and its Shareholders as a whole and to unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting in connection with the issue of the Conditional Placing Shares, notice of which is set out at the end of this document.

2. Background to, and reasons for, the Placing

In July 2019, the Company raised gross proceeds of £7 million through a placing of new Ordinary Shares. The proceeds from this placing allowed, *inter alia*, the Company to accelerate its growth by carefully deploying funds to strengthen its design capability, widen its product range and trial additional marketing channels. As part of this, the Company trialled a number of new marketing initiatives including selective TV advertising. These new marketing initiatives significantly increased the Company's brand recognition and awareness. In September 2019, the first month TV advertising commenced, the Company saw a record number of email subscriber sign-ups with a 222 per cent. increase on August 2019 and the equivalent to approximately six months' performance in the prior year. Given the results from the new marketing initiatives, the Company announced in October 2019 that the Board had taken the strategic decision to accelerate the growth of the business by investing further in TV advertising.

On 20 January 2020, the Company announced a trading update for the three months ended 31 December 2019 in which it stated the following:

“The Company's very strong trading performance in autumn has continued into winter with the Company delivering a record quarter during which net revenues in each month exceeded £1.2 million. Revenue for the period was above management's expectations at £3.8m, a 136% increase on the same period in 2018 and significantly exceeding the revenue generated for the entire first half of the financial year (£2.8m). This was driven through product range expansion and increased TV investment after the successful September trial. The performance of TV was especially pleasing given this is a peak period where competition is high and cut through can be difficult.

“Following the increased investment in customer acquisition as previously announced, the Company has seen a substantial growth in its active customer database which now stands at over 110,000, an increase of 93% on the same period in the prior year, and 47% up on 31 September 2019. Repeat orders in the quarter increased 140% on the same period in 2018 to 51,320, demonstrating that once customers engage with Sosandar's product range and unique design aesthetics they remain loyal to, and highly engaged with, the brand.”

Given the continued strong performance of the Company and the results from its recently accelerated growth strategy, the Board believes that the potential opportunity for the Company is significantly bigger than previously thought. Accordingly, the Board believes that it is in the best interests of the Company to raise additional equity to allow the Company to continue with its accelerated growth plan.

3. Use of proceeds

The net proceeds of the Placing are expected to be used to provide further support for the continuation of Company's recently accelerated and successful growth strategy, specifically by:

- further growing the Company's active customer database given its recent repeat order performance, particularly through TV marketing; and
- increasing stock levels to service the Company's growing active customer base and continuing product range expansion.

4. Current trading and prospects

As stated in paragraph 2 of this document, on 20 January 2020, the Company announced a trading update for the three months ended 31 December 2019, which included the following highlights for the period compared to the same period in 2018:

- *“Strong revenue growth achieved following the increased investment made into marketing, product and team*
- *Enhanced design capability and broadened product range helping to ensure new and existing customers remain loyal to Sosandar:*
 - *Customer database increased 109% to 207,672*
 - *Active customer database increased 93% to 110,132*
 - *Average order value at £101.97, an increase on H1, reflecting cold weather driving sales of higher price point items as expected*
 - *Repeat orders increased 140% to 51,320*
 - *Conversion rate of 2.72%, a strong result given the level of traffic generated from TV advertising*
- *Number of orders increased 140% to 84,304*
- *Gross margin for the quarter, including the seasonal sale period and higher than forecast acquisition with first order discount, was 52%*
- *Returns remained stable at 49%, reflecting the different product mix in Autumn/Winter*

"Net cash of £4.2m and stock increased from £1.9m at 30 September 2019 to £3.5m at 31 December 2019 reflecting increased stock landing pre-Christmas for post-period selling."

5. EIS status

No assurance has been obtained from HMRC or any other person that a subscription for Ordinary Shares in the Company is a "qualifying holding" for the purpose of investment by investors under the EIS Legislation.

The status of the Ordinary Shares as a qualifying holding for EIS purposes will be dependent on a number of factors, including that the Company is a "qualifying company" and the Company carries on a "qualifying trade" for EIS purposes.

Neither the Company nor Shore Capital, nor any of their respective directors, officers, employees, agents or advisers, gives any warranty, representation or undertaking that any EIS investment in the Company is a qualifying holding for the purposes of EIS (or, in the event that it is deemed to be a qualifying holding as at Admission, that it will remain so). The Company does not give any guarantee, undertaking or other assurance that it conducts or will conduct its business in a way which ensures that the Company will meet the requirements of the EIS Legislation or that if it does it will continue to do so. The Company has obtained no assurance from HMRC that any EIS relief may be, is or will continue to be available to the participants in the EIS Placing or any other person and any and all liability in this regard is disclaimed in respect of the Directors, the Company and its officers, employees, agents and advisers.

Investors considering making a qualifying EIS investment must seek their own professional advice in order that they may fully understand how the EIS Legislation may apply in their individual circumstances.

6. VCT status

No assurance has been obtained from HMRC or any other person that a subscription for Ordinary Shares in the Company is a "qualifying holding" for the purpose of investment by VCTs.

The status of the Ordinary Shares as a qualifying holding for VCT purposes will be dependent on a number of factors, including that the Ordinary Shares are "eligible shares" and a "qualifying holding" for VCT purposes.

Neither the Company nor Shore Capital, nor any of their respective directors, officers, employees, agents or advisers, gives any warranty, representation or undertaking that any VCT investment in the Company is a qualifying holding (or, in the event that it is deemed to be a qualifying holding as at Admission, that it will remain so). The Company does not give any guarantee, undertaking or other assurance that it conducts or will conduct its business in a way which ensures that the Company will meet the requirements of the VCT Legislation. The Company has obtained no assurance from HMRC or any other person that any VCT relief may be, is or will continue to be available to the participants in the VCT Placing or any other person and any and all liability in this regard is disclaimed in respect of the Directors, the Company and its officers, employees, agents and advisers.

VCTs considering making a qualifying VCT investment must seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances.

7. Details of the Placing

7.1 The Placing

The Firm Placing Shares and the Conditional Placing Shares have been placed with new and existing investors at a price of 17 pence per Placing Share. The Placing is expected to raise, in aggregate, £5 million (before commissions and expenses).

The Placing Shares, when issued, will represent approximately 15.3 per cent. of the Enlarged Share Capital immediately following Admission. Assuming that the Resolutions are passed at the General Meeting, it is expected that the Placing Shares will be admitted to trading on AIM on 4 March 2020.

The Firm Placing (which is not being underwritten) is conditional, amongst other things, upon:

- (a) the Placing Agreement becoming or being declared unconditional in all respects in relation to the Firm Placing Shares (save for Firm Placing Admission) and not having been terminated in accordance with its terms in respect of the Firm Placing Shares prior to Firm Placing Admission; and
- (b) Firm Placing Admission becoming effective on or before 8.00 a.m. on 4 March 2020 or such later date as the Company and Shore Capital may agree, being no later than 8.00 a.m. on 31 March 2020.

The Conditional Placing (which is not being underwritten) is conditional, amongst other things, upon:

- (a) the Placing Agreement becoming or being declared unconditional in all respects in relation to the Conditional Placing Shares (save for Conditional Placing Admission) and not having been terminated in accordance with its terms in respect of the Conditional Placing Shares prior to Conditional Placing Admission;
- (b) the passing of the Resolutions set out in the Notice of General Meeting; and
- (c) Conditional Placing Admission becoming effective on or before 8.00 a.m. on 4 March 2020 or such later date as the Company and Shore Capital may agree, being no later than 8.00 a.m. on 31 March 2020.

Given the above conditions to the Placing, if the Conditional Placing is not approved by Shareholders at the General Meeting, then the Firm Placing will, assuming its conditions are satisfied, complete without the Conditional Placing.

7.2 *The Placing Agreement*

Pursuant to the terms of the Placing Agreement, Shore Capital has conditionally agreed to use its reasonable endeavours, as agent for the Company, to procure subscribers for the Placing Shares at the Placing Price.

The Placing Agreement contains customary warranties from the Company in favour of Shore Capital in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Shore Capital in relation to certain liabilities they may incur in respect of the Placing. Shore Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, in the event of a material breach of the warranties given in the Placing Agreement, the failure of the Company to comply in any material respect with its obligations under the Placing Agreement or the occurrence of certain *force majeure events* which would, in Shore Capital's opinion, be likely to materially prejudice the success of the Placing.

The Placing Agreement provides for payment by the Company to Shore Capital of certain commissions and fees in connection with their appointment. The Company will bear certain other expenses of, and incidental to, the Placing.

7.3 *Settlement and dealings*

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Placing Shares will commence on AIM on 4 March 2020, with Conditional Placing Admission also subject to the passing of the Resolutions at the General Meeting.

8. **General Meeting**

The Directors do not currently have existing shareholder authorities to allot the Conditional Placing Shares and, accordingly, the Board is seeking the approval of Shareholders to allot the Conditional Placing Shares. Set out at the end of this document is a notice convening the General Meeting to be held at the Company's registered office on 2 March 2020 at 10.30 a.m., at which the Resolutions will be proposed as ordinary or special resolutions as set out below:

1. an ordinary resolution to grant the Directors authority to allot the Conditional Placing Shares pursuant to the Placing;

2. a special resolution to disapply statutory pre-emption rights under the Act in respect of the allotment of the Conditional Placing Shares for cash pursuant to the Conditional Placing;
3. an ordinary resolution to grant the Directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company up to an aggregate nominal value of £9,613.41, representing approximately 5 per cent. of the Enlarged Share Capital; and
4. a special resolution to disapply statutory pre-emption rights under the Act in respect of the allotment of new Ordinary Shares pursuant to the authority granted by Resolution 3 above up to an aggregate nominal amount of £9,613.41 (which represents approximately 5 per cent. of the Enlarged Share Capital).

If passed, Resolutions 1 and 2 to be proposed at the General Meeting will enable the Directors to allot the Placing Shares for cash otherwise than on a pre-emptive basis to the Shareholders. As the Firm Placing is being undertaken using existing shareholder authorities obtained at the 2019 AGM, Resolutions 3 and 4 to be proposed at the General Meeting will, if passed, allow the Directors to allot new Ordinary Shares, representing up to 5 per cent. of the Enlarged Share Capital, for cash otherwise than on a pre-emptive basis to the Shareholders. Although the Directors currently have no present intention of exercising the authorities in Resolutions 3 and 4, passing these resolutions will allow the Directors flexibility to act in the best interests of Shareholders when opportunities arise. The authorities granted by Resolutions 3 and 4 will expire on the date falling 15 months after the passing of the resolutions or, if earlier, the conclusion of the next Annual General Meeting of the Company.

9. Action to be taken

The Form of Proxy for use at the General Meeting accompanies this document. Whether or not you intend to be present at the General Meeting, the Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrar, Share Registrars Limited, The Court Yard, 17 West Street, Farnham, Surrey GU9 7DR, as soon as possible, but in any event so as to be received by no later than 10.30 a.m. on 27 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Unless the Form of Proxy is received by this date and time, it will be invalid. Alternatively, CREST members who wish to appoint a proxy or proxies via CREST may do so in accordance with the procedures set out in the Notice of General Meeting and the Form of Proxy. The completion and return of the Form of Proxy or appointment of a proxy via CREST will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

10. Additional information

Prospective investors should read the whole of this document, which provides additional information on the Company and the Placing.

11. Recommendation

The Directors consider the Conditional Placing and the Resolutions to be in the best interests of the Company and its Shareholders as a whole and, accordingly, unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 18,726,385 Ordinary Shares as at 12 February 2020 (being the last practicable date prior to the publication of this document), representing approximately 11.5 per cent. of the Existing Ordinary Shares.

Yours faithfully,

Bill Murray

Non-Executive Chairman

NOTICE OF GENERAL MEETING

Sosandar plc

(incorporated and registered in England and Wales with registered number 05379931)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Sosandar plc ("**Company**") will be held at the Company's registered office at 40 Water Lane, Wilmslow, Cheshire, SK9 5AP at 10.30 a.m. on 2 March 2020 for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 and 3 will be proposed as ordinary resolutions and resolutions 2 and 4 will be proposed as special resolutions.

All expressions defined in the circular to shareholders dated 13 February 2020 of which this notice forms part ("**Circular**") shall have the same meaning in this notice as if set out in full in this notice:

Ordinary Resolution

1. That the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("**Act**") to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Placing Rights**") up to an aggregate nominal amount of £4,983.32 pursuant to the Conditional Placing, as described in the Circular, provided that this authority shall, unless renewed, revoked or varied by the Company in general meeting expire on 31 March 2020 or, if earlier, the conclusion of the Company's next Annual General Meeting save that the Company may, before such expiry, revocation or variation, make offers or enter into agreements that would or might require such shares to be allotted or Placing Rights to be granted and the Directors may allot any such shares or grant any Placing Rights after the expiry, revocation or variation of such authority in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired or been revoked or varied.

Special Resolution

2. That, subject to the passing of resolution 1, the Directors of the Company be given general power, 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, as if section 561 of the Act did not apply to such allotment, provided that this authority is limited to the allotment of equity securities up to an aggregate nominal value of £4,983.32 pursuant to the Conditional Placing, as described in the Circular, provided that this authority shall, unless renewed, revoked or varied by the Company in general meeting expire on 31 March 2020 or, if earlier, the conclusion of the Company's next Annual General Meeting save that the Company may, before such expiry, revocation or variation, make offers or enter into agreements that would or might require such shares to be allotted or Placing Rights to be granted after the expiry, revocation or variation of such authority in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired or been revoked or varied.

Ordinary Resolution

3. That, in addition to the authority granted in resolution 1, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**General Rights**") up to an aggregate nominal amount of £9,613.41 (representing 5 per cent. of the issued share capital of the Company following the Placing, as described in the Circular), provided that this authority shall, unless renewed, revoked or varied by the Company in general meeting expire on the date falling 15 months after the passing of this resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company save that the Company may, before such expiry, revocation or variation, make offers or enter into agreements that would or might require shares to be allotted or General Rights to be granted and the Directors

may allot any shares or grant any General Rights after the expiry, revocation or variation of such authority in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired or been revoked or varied.

Special Resolution

4. That, subject to the passing of resolution 3 and in addition to the authority granted in resolution 2, the Directors of the Company be given general power, 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 3, as if section 561 of the Act did not apply to such allotment, provided that this authority is limited to the allotment of equity securities up to an aggregate nominal amount of £9,613.41 (representing 5 per cent. of the issued share capital of the Company following the Placing, as described in the Circular), provided that this authority shall, unless renewed, revoked or varied by the Company in general meeting expire on the date falling 15 months after the passing of this resolution or, if earlier, the conclusion of the Company's next Annual General Meeting save that the Company may, before such expiry, revocation or variation, make offers or enter into agreements which would or might require equity securities to be allotted after the expiry, revocation or variation of such authority in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired or been revoked or varied.

BY ORDER OF THE BOARD

Mark Collingbourne

Company Secretary

Registered Office:

40 Water Lane
Wilmslow
Cheshire
SK9 5AP

13 February 2020

Notes to the Notice of General Meeting

- 1 A member who is entitled to attend and vote at the General Meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him or her, to attend the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member, as his or her proxy to exercise all or any of his rights to attend and to speak and vote at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting to represent you. To appoint more than one proxy, please contact Share Registrars Limited, The Court Yard, 17 West Street, Farnham, Surrey GU9 7DR.
- 2 To be valid any form of proxy must be completed and signed, then delivered (together with any power of attorney or other authority (if any) under which it is signed, or a duly certified copy of the power of attorney or authority) to Share Registrars Limited, The Court Yard, 17 West Street, Farnham, Surrey GU9 7DR by 10.30 a.m. on 27 February 2020 or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting. In the case of a member which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Completing and returning a form of proxy will not prevent a member from attending in person and voting at the meeting should he or she so wish.
- 3 Shareholders who prefer to register the appointment of their proxy electronically via email can do so through Share Registrars' email address voting@shareregistrars.uk.com. For an email vote to be valid, your form must be received by Share Registrars Limited no later than 10.30 a.m. on 27 February 2020 or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting.
- 4 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend, speak and vote at the General Meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company no later than 10.30 a.m. on 27 February 2020 or, in the case of an adjournment of the General Meeting, by 10.30 a.m. on the day two business days prior to the General Meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.
- 5 As at the close of business on 12 February 2020 (being the last practicable date prior to the publication of this document) (i) the Company's issued share capital consists of 162,856,358 Ordinary Shares, all carrying one vote each, and (ii) the total voting rights in the Company are 162,856,358.
- 6 CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message (a "**CREST proxy appointment instruction**") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("**Euroclear**"), and must contain all the relevant information required by the CREST Manual. To be valid 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 be transmitted so as to be received by Share Registrars Limited (ID 7RA36), as the Company's "issuer's agent", by 10.30 a.m. on 27 February 2020 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting) (as such a message cannot be transmitted on weekends or on other days when the CREST system is closed). After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid. The CREST Manual can be reviewed at www.euroclear.com.
- 7 In the case of joint holders, where more than one of the joint holders completes a proxy appointment, 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 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- 9 Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard copy form of proxy and would like to change the instructions using another hard copy form of proxy, please contact Share Registrars Limited, The Court Yard, 17 West Street, Farnham, Surrey GU9 7DR. 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.

- 10 A shareholder may terminate a proxy instruction but to do so you will need to inform the Company in writing by either:
- Sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, The Court Yard, 17 West Street, Farnham, Surrey GU9 7DR. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
 - Sending an email to voting@shareregistrars.uk.com.

In either case, the revocation notice must be received by Share Registrars Limited by no later than 10.30 a.m. on 27 February 2020 or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified, your original proxy appointment will remain valid unless you attend the meeting and vote in person.

- 11 Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.