

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your registered holding of Ordinary Shares, you should retain this document and the accompanying documents and please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for New Ordinary Shares in any jurisdiction. This document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Regulation Rules or approved by the FCA or any other competent authority.

This Document is being sent to you solely for the purpose of convening the General Meeting referred to below and to provide information to you as a Shareholder to help you to decide how to cast your vote in respect of the Resolutions. No reliance may be placed on this Document for any other purpose.

IDE GROUP HOLDINGS PLC

(Incorporated under the Companies Act 2006 and registered in Scotland with registered number SC368538)

Proposed Conversion of Loan Notes

Proposed Consolidation and Sub-Division of Ordinary Shares

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company set out in Part IV 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.

Notice of the General Meeting of the Company, to be held at 10:30 a.m. on 2nd November 2022, at the offices of finnCap, 1 Bartholomew Cl, London, EC1A 7BL, is set out in Part V of this document.

Notice of Availability: A copy of this document is available at the Company's website at www.idegroup.com. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

No person should construe the contents of this document as legal, tax or financial advice and recipients of this document should consult their own advisers as to the matters described in this document.

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

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

References to defined terms

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

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

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PART I: STATISTICS RELATING TO THE CAPITAL REORGANISATION

Existing Ordinary Shares in issue at the date of this document	496,702,792
Expected existing Ordinary Shares in issue immediately prior to the General Meeting	496,702,800
Conversion ratio of Existing Ordinary Shares to New Ordinary Shares	100 Existing Ordinary Shares to 1 New Ordinary Share
Total number of New Ordinary Shares in issue following the Capital Reorganisation	4,967,028
ISIN code for the New Ordinary Shares	GB00BN4M3M55
SEDOL code for the New Ordinary Shares	BN4M3M5

PART II: EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	Friday 7th October 2022
Latest time and date for receipt of forms of proxy, CREST Proxy Instruction or electronic proxy appointment for use at the General Meeting	10:30 a.m. on Monday 31st October 2022
General Meeting	10:30 a.m. on Wednesday 2nd November 2022
Record Date	6 p.m. on Wednesday 2nd November 2022
Expected effective date of the Consolidation and Sub-Division	Thursday 3rd November 2022
Expected date of admission of New Ordinary Shares to trading on AIM	8 a.m. on Thursday 3rd November 2022
Expected date CREST accounts are to be credited with New Ordinary Shares	As soon as practicable after 8 a.m. on Thursday 3rd November 2022
Expected date share certificates in respect of New Ordinary Shares are to be despatched to non-CREST Shareholders	by Thursday 17th November 2022

Notes:

- (1) The timing of the events in the above timetable and in the rest of this document is indicative only and may be subject to change.
- (2) The timetable assumes that there is no adjournment of the GM. If there is an adjournment, all subsequent dates are likely to be later than those shown.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to a Regulatory Information Service.
- (4) All of the events listed in the above timetable following the holding of the GM are conditional upon the passing of the Resolutions.
- (5) All of the times referred to above are references to London time.

PART III: DEFINITIONS

“Act”	the Companies Act 2006 (as amended)
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company
“Board” or “Directors”	the board of directors of the Company whose names are set out in Part I of this document, or any duly authorised committee thereof
“Capital Reorganisation”	the reorganisation of the Company’s share capital comprising the creation of the Deferred Shares, the Sub-Division and the Consolidation;
“Company”	IDE Group Holdings PLC, a company incorporated and registered in Scotland under the Act with registered number 368538
“Computershare” and “Registrars”	Computershare Investor Services PLC of The Pavilions, Bridgewater Road, Bristol, BS99 6ZY, being the registrars of the Company
“Consolidation”	following the Sub-Division, the consolidation of every 100 Redenominated Ordinary Shares into one New Ordinary Share
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form, operated by Euroclear
“CREST Manual”	the rules governing the operation of CREST
“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy submitted in accordance with procedures described in the CREST Manual
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
“Deferred Shares”	the deferred shares of 2.49p each in the capital of the Company immediately following the Sub-Division, having the rights set out in the Articles as amended at the General Meeting;
“Euroclear”	Euroclear UK & International Limited
“Existing Ordinary Shares”	the 496,702,792 ordinary shares of 2.5p each in the capital of the Company in issue at the date of this document
“FCA”	the UK Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting” or “GM”	the general meeting of the Company which is intended to be held at the offices of finnCap, 1 Bartholomew Cl, London, EC1A 7BL, at 10:30 a.m. on Wednesday 2nd November 2022, notice of which is set out in Part V of this document
“Group”	the Company and its subsidiary undertaking
“London Stock Exchange”	London Stock Exchange plc

“MXC”	MXC Guernsey Limited
“Market Price”	Five day closing market average between the 28th of September 2022 and 5th of October 2022
“New Ordinary Shares”	the 496,702,800 ordinary shares of 1 penny each in the capital of the Company arising on the completion of the Consolidation and Sub-Division
“Notice of General Meeting”	the notice convening the GM which is set out in Part V of this document
“Ordinary Shares”	ordinary shares in the capital of the Company from time to time
“Prospectus Regulation Rules”	the Prospectus Regulation Rules of the FCA made under section 73A of the FSMA
“Record Date”	6 p.m. on Wednesday 2nd November 2022
“Redenominated Ordinary Share”	the ordinary shares of 0.01p each in the capital of the Company immediately following the Sub-Division
“Registrar of Companies”	the Registrar of Companies under the Act
“Regulatory Information Service”	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the website of the London Stock Exchange
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Shareholders”	holders of Ordinary Shares
“Sub-Division”	the sub-division of each Existing Ordinary Share into one Redenominated Ordinary Share and one Deferred Share
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

PART IV: LETTER FROM THE CHAIRMAN OF THE COMPANY

IDE GROUP HOLDINGS PLC

(Incorporated under the Companies Act 2006 and registered in Scotland with registered number SC368538)

Directors

Andy Parker (Non-Executive Chairman)
Ian Smith (Executive Director)

Registered Office

24 Dublin Street
Edinburgh
Scotland, EH1 3PP

7th October 2022

Dear Shareholder

Proposed Conversion of Loan Notes, Capital Reorganisation and Notice of General Meeting

1. Introduction and summary

I am writing in connection with proposals recommended by the Board whereby the Company seeks to reduce its indebtedness through the capitalisation of the majority of its outstanding loan notes (“LNs”) of £25.5 million (including interest and fees), (“**Loan Note Conversion**”) together with an associated Capital Reorganisation.

The Company currently has in issue 496,702,792 Ordinary Shares with a nominal value of 2.5p each. The Company’s current share price, and the price at which the Loan Note Conversion is being proposed, is below the current nominal value per Ordinary Share. The Company is not permitted by law to issue shares below their nominal value. Therefore, the Directors propose to reorganise the Company’s share capital so as to enable the Company to issue New Ordinary Shares following the Capital Reorganisation (in connection with the Loan Note Conversion and otherwise) at a price which is both acceptable to the market and, as required by law, is at least equal to the nominal value of such New Ordinary Shares. The steps involved in the Capital Reorganisation are explained in more detail in paragraph 3 below.

The purpose of this document is to explain the background to the Capital Reorganisation and the Loan Note Conversion, why the Directors unanimously consider this to be in the best interests of the Company and Shareholders as a whole, and to seek Shareholders’ approval for the Capital Reorganisation and the Loan Note Conversion.

Shareholders should note that, unless the Resolutions are all approved at the GM, the Capital Reorganisation and the Loan Note Conversion will not take place.

2. Background to and reasons for the Loan Note Conversion

As announced in a trading update by the Company on 27 January 2022, the Company has been exploring resolutions for the LNs as the final stage of its restructuring, in order to reduce the Company’s indebtedness which it is hoped will allow the Company to grow organically and possibly through acquisition should the right accretive opportunities become available.

The Company does not have adequate cash resources to repay the LNs and therefore, after exploring several options, the Board believes that the Capital Reorganisation and Loan Note Conversion is the best option available to the Company. Whilst the Loan Note Conversion will result in MXC materially increasing their percentage shareholding in the Company, MXC have confirmed to the Company that they have no current intention in taking the Company private. It is the Company’s intention to expand the Board in order to increase the expertise and broaden the depth of the Board.

Background to the LNs

Between January and March 2019 IDE raised approximately £10 million by way of an issue of secured loan notes in two tranches. In January 2019, approximately £5.3 million of LNs were subscribed for by existing

shareholders of the Company, MXC, Funds Managed by Kestrel and Richard Griffiths (formally held by Blake Holdings, a company controlled by Richard Griffiths).

The second tranche of approximately £4.7 million of the LNs (the “**Second Tranche LNs**”) was made available to all other shareholders by way of an open offer (the “**Open Offer**”). The Open Offer was underwritten by MXC who further subscribed for approximately £3.7 million of the Second Tranche LNs in March 2019 following uptake on the Open Offer from other shareholders of approximately £1 million in February 2019.

To provide additional working capital for the Company, £1.5 million was raised in December 2019 through the issue of further LNs, under the same terms as the LNs issued in January 2019, to MXC, Richard Griffiths and Funds Managed by Kestrel.

In November 2021 further short term loan notes were created and issued to MXC in the principal amount of £1 million with an arrangement fee of 3.75 per cent and interest rate of 3 per cent per month (“**Short Term Loan Notes**”). As the Short Term Loan Notes were not repaid before 31 March 2022, per the loan agreement, the Short Term Loan Notes persist on similar terms as the LNs issued in December 2019 (as described above) and are secured on the same terms as the outstanding LNs.

In summary, at the current date, the LNs (including the Short Term Loan Notes) are held by the following holders in the following principal amounts (excluding interest and fees):

Holder	January, February and March 2019 issue	December 2019 issue	November 2021 issue	Total
MXC	£8,030,170	£1,231,800	£1,000,000	£10,261,970
Richard Griffiths	£1,000,095	£150,000	0	£1,150,095
Funds Managed by Kestrel	£903,289	£118,200	0	£1,021,489
Other	£86,496	0	0	£86,496
Total	£10,020,050	£1,500,000	£1,000,000	£12,520,050

The LNs each have a term of six years (the “**Term**”) such that they are due for repayment in January and December 2025. The LNs carry an annual coupon of between 12 per cent. and 20.3075 per cent., which is rolled up, compounded annually and payable at the end of the Term. The LNs carry an arrangement fee of between 2.5 per cent. and 3.75 per cent, payable at the end of Term (“**Arrangement Fee**”), and an exit fee of between 2.5 per cent. and 3.75 per cent, also payable at the end of the Term (“**Exit Fee**”).

Therefore, the resulting balance due to LN holders is summarised below:

Holder	Value of LNs
MXC	£20,995,862
Richard Griffiths	£2,326,893
Funds Managed by Kestrel	£2,044,783
Other	£172,948
Total	£25,540,486

Conversion of the Loan Notes

Following the Capital Reorganisation (described below) the following is proposed in respect of the LNs:

- 1) the conversion of £20,995,862 existing secured LNs (including interest and fees), held by MXC (“**MXC LNs**”) at a rate equivalent to 70 pence in the pound, into New Ordinary Shares at an Assumed Share Price (as defined below) of £0.892 per New Ordinary Share, (“**MXC Conversion**”); and

- 2) giving the option to LN holders (other than MXC) to do one of the following: a) convert their LNs on the same terms as the MXC Conversion; or b) making no change to their LNs.

MXC has irrevocably agreed to the MXC Conversion which is to be effected, conditional upon the Resolutions being passed at the GM, by MXC requesting repayment of (and the Company agreeing to repay) all MXC LNs for an agreed sum (the “**Redemption Sum**”). It has been agreed that the Redemption Sum will satisfy in full: (i) the principal amount of all LNs to be repaid; (ii) interest accrued from the inception of such LNs to May 2022 (interest accruing after this date being waived); (iii) the full Exit Fee (which would otherwise be payable); and (iv) a partial waiver of 24 per cent. of the Arrangement Fee (which would otherwise be payable in full). MXC has irrevocably directed the Company to apply the Redemption Sum to the payment up of 16,476,574 New Ordinary Shares at a notional price of £0.892 per New Ordinary Share (the five day closing market average price of an Ordinary Share between the 28th of September 2022 and 5th of October 2022) multiplied by 100, which arithmetically should equate to the price of a New Ordinary Share following completion of the Capital Reorganisation, (the “**Assumed Share Price**”). Based on the Assumed Share Price, the number of New Ordinary Shares to be received by MXC on conversion of Redemption Sum equates to 70p worth of New Ordinary Shares for every £1 of the MXC LNs.

All LN holders will be offered the option to hold their LNs until they are due for repayment in January or December 2025, or convert into New Ordinary Shares on the same basis as the MXC Conversion.

Funds Managed by Kestrel and Richard Griffiths have confirmed to the Company they will not convert their LNs, which, together represent approximately 96 per cent of the LNs not held by MXC.

3. Background and reasons for Capital Reorganisation

The Company currently has in issue 496,702,792 Ordinary Shares with a nominal value of 2.5p each. The Company’s current share price, and the price at which the Loan Note Conversion is being proposed, is below the current nominal value per Ordinary Share. The Company is not permitted by law to issue shares below their nominal value. Therefore, the Directors propose to reorganise the Company’s share capital so as to enable the Company to issue New Ordinary Shares following the Capital Reorganisation at a price which is both acceptable to the market and, as required by law, is at least equal to the nominal value of such New Ordinary Shares.

The Consolidation is being undertaken as the Company’s Directors and advisers consider the number of shares currently in issue to be considerably higher than the majority of companies of a similar size on AIM, which, when combined with the current share price of approximately 1 pence per share, unduly affects investor perception of the Company and volatility in its share price. Following discussions with advisers on these factors, including a period of monitoring of movements in the Company’s share price, the Company decided to take steps to consolidate its shares to a more appropriate level.

The Board also believes that the Capital Reorganisation could potentially improve the liquidity and marketability of the Company’s shares to a range of investors, including institutional investors, through the creation of a higher price per Ordinary Share.

The proposed Capital Reorganisation will consist of the following steps:

1. the amendment of the Articles to set out the rights and restrictions attaching to the Deferred Shares;
2. the sub-division of each Existing Ordinary Share into 2 new shares – a Redenominated Ordinary Share of 0.01p and a Deferred Share of 2.49p; and
3. every 100 Redenominated Ordinary Shares of 0.01p each will then be consolidated into one New Ordinary Share of 1p each.

Step 1 – Amendment of the Articles

The Company will need to amend its Articles to set out the rights and restrictions attaching to the Deferred Shares.

The Deferred Shares will not be admitted to trading on AIM (or any other investment exchange). The Deferred Shares will have limited rights and will be subject to the restrictions, as set out in the Company's Articles, as amended by special resolution at the General Meeting and as summarised below.

The Deferred Shares will not be transferable. The holders of the Deferred Shares shall not, by virtue or in respect of their holdings of Deferred Shares, have the right to receive notice of any general meeting of the Company or the right to attend, speak or vote at any such general meeting.

The Deferred Shares will not entitle their holders to receive any dividend or other distribution. The Deferred Shares will on a return of assets in a winding up entitle the holders only to the repayment of £1.00 for the entire class of Deferred Shares.

The Company will have irrevocable authority at any time to appoint any person to execute on behalf of the holders of the Deferred Shares a transfer thereof and/or an agreement to the transfer of the same to such persons as the Company may determine or as the Company determines as custodian thereof, without making any payment to the holders thereof, and/or consent to cancel the same (in accordance with the provisions of the Act) without making any payment to or obtaining the sanction of the holders thereof.

The Company may, at its option at any time, purchase all or any of the Deferred Shares then in issue, at a price not exceeding £1.00 for each aggregate holding of Deferred Shares so purchased.

The Directors consider the Deferred Shares, so created, to be of no economic value.

Step 2 – Sub-Division

Every Existing Ordinary Share of 2.5p will be sub-divided into 1 Redenominated Ordinary Share of 0.01p and 1 Deferred Share of 2.49p.

Assuming an issued share capital immediately prior to the General Meeting of 496,702,800 Ordinary Shares of 2.5p each (following the issue of 8 Ordinary Shares as described in Step 3 below), this will result in 496,702,800 Redenominated Ordinary Shares and 496,702,800 Deferred Shares being in issue immediately following the Sub-Division. The Sub-Division of the Existing Ordinary Shares will not, of itself, affect the value of any shareholding, as the number of Redenominated Ordinary Shares held by each Shareholder will be equal to the number of Ordinary Shares held by each Shareholder immediately prior to the Sub-Division.

No share certificates will be issued in respect of either the Redenominated Ordinary Shares, which will be consolidated by the Company (see Step 3 below), or the Deferred Shares.

Step 3 – Consolidation

In order to reduce the number of Ordinary Shares in issue, the Board is proposing that, immediately following the Sub-Division, the Redenominated Ordinary Shares of 0.01p each are consolidated on a 100-for-1 basis such that every 100 Redenominated Ordinary Shares are consolidated and redesignated as 1 New Ordinary Share of 1p.

In anticipation of the Resolutions being passed by the Shareholders, the Company will, immediately prior to the General Meeting and Record Date, issue such number of additional Ordinary Shares as will result in the total number of Ordinary Shares in issue being exactly divisible by 100. On the assumption that no new Ordinary Shares are issued between the date of this document and immediately before the General Meeting, this will result in 8 additional Ordinary Shares being issued. These additional 8 Ordinary Shares will be issued to Rosaleen Herbert, Company secretary, and as these additional Ordinary Shares will only represent a fraction of a New Ordinary Share, this fraction will be sold pursuant to the arrangements for fractional entitlements detailed below.

No Shareholder will, pursuant to the Capital Reorganisation, be entitled to receive a fraction of a New Ordinary Share. In the event the number of Existing Ordinary Shares attributed to a Shareholder is not exactly divisible by 100, the Consolidation will generate an entitlement to a fraction of a New Ordinary Share. Such fractional entitlements will be aggregated and sold on the open market (see further explanation regarding fractional entitlements below).

Accordingly, following the implementation of the Capital Reorganisation, any Shareholder who, as a result of the Consolidation, has a fractional entitlement to any New Ordinary Share, will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares.

Furthermore, any Shareholder who holds fewer than 100 Existing Ordinary Shares as at the Record Date will cease to be a Shareholder. The minimum threshold to receive New Ordinary Shares will be 100 Existing Ordinary Shares.

Disposal of fractional entitlements

As set out above, the Consolidation will give rise to fractional entitlements to a New Ordinary Share where any holding is not precisely divisible by 100. As regards the New Ordinary Shares, no certificates regarding fractional entitlements will be issued. Any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of Shareholders entitled to fractions (“**Fractional Shareholders**”).

As the net proceeds of sale due to a Fractional Shareholder are expected to amount to less than £3.00, the Board is of the view that, as a result of the disproportionate costs, it would not be in the best interests of the Company to consolidate and distribute all such proceeds of sale, which instead shall be donated to The Prince’s Trust, a charity registered with the Charities Commission with Charity number 1079675 and which has been selected by the Board in accordance with article 15 of the Articles.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose shares are held in the nominee accounts of UK stockbrokers, the effect of the Capital Reorganisation on their individual shareholdings will be administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however it is the stockbroker’s or nominee’s responsibility to deal with fractions arising within their customer accounts, and not the Company’s.

Resulting Share Capital

The issued ordinary share capital of the Company immediately following the Capital Reorganisation, assuming that it is approved by the Shareholders and that no further Existing Ordinary Shares are issued before the General Meeting, is expected to comprise 4,967,028 New Ordinary Shares.

The New Ordinary Shares arising upon implementation of the Capital Reorganisation will have the same rights as the Existing Ordinary Shares including voting, dividend and other rights.

Admission of the New Ordinary Shares to CREST

The Existing Ordinary Shares are currently admitted to CREST. Application will be made for the simultaneous cancellation of the Existing Ordinary Shares from CREST and admission of the New Ordinary Shares to CREST (and admission to trading on AIM). The New Ordinary Shares may thereafter be held and transferred by means of CREST.

It is expected that those New Ordinary Shares which will arise as a result of the Consolidation and Sub-Division of the Existing Ordinary Shares and are held in uncertificated form, i.e. in CREST, will be credited to the relevant CREST accounts on 3 November 2022 and admitted to trading on AIM on the same day. Definitive share certificates in respect of those New Ordinary Shares which will be held in certificated form are expected to be despatched to the relevant Shareholders on or around 17 November 2022. No temporary documents of title will be issued. Any existing share certificates in respect of Existing

Ordinary Shares will cease to be valid upon the Record Date and, pending delivery of share certificates in respect of New Ordinary Shares, transfers will be certified against the register.

The Record Date is close of business on the date of the GM, being **2 November 2022**.

The current ISIN GB00B4NJ4984 and SEDOL B4NJ498 in respect of the Company's Existing Ordinary Shares will be disabled in CREST as at 6 p.m. on 2 November 2022. The ISIN code for the New Ordinary Shares is GB00BN4M3M55 and the SEDOL number is BN4M3M5, which will come into effect at 8a.m. on 3 November 2022.

4. Takeover Code

As a result of the Loan Note Conversion, MXC, an existing 34.8 per cent. shareholder in the Company, will have a maximum possible shareholding of 18,204,685 shares or 83.8 per cent. of the Company's voting rights at such time.

The Company has successfully applied, on behalf of MXC, for a dispensation from making a mandatory offer under Rule 9 of the City Code on Takeovers and Mergers (the "Code") in relation to the Loan Note Conversion. In accordance with Note 5(c) in the Notes on Dispensations from Rule 9 of the Code, in the case of an issue of new securities, independent shareholders holding shares carrying more than 50% of the voting rights of the Company which would be capable of being cast on a "whitewash" resolution have confirmed in writing that they approve the proposed waiver and would vote in favour of any resolution to that effect at a general meeting. The Company has subsequently approached the Panel and successfully obtained its permission to waive the requirement for a whitewash resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code).

5. General Meeting and Resolutions

You will find set out at the end of this document a notice convening the General Meeting to be held at 10:30 a.m. on 2nd November 2022, at the offices of finnCap, 1 Bartholomew Cl, London, EC1A 7BL at which the Resolutions will be proposed.

6. Related Party Transaction

As MXC is a substantial shareholder of the Company, they are deemed to be a related party pursuant to the AIM Rules for Companies. The participation of MXC Conversion is therefore a related party transaction for the purposes of Rule 13 of the AIM Rules. Ian Smith, Executive Director, is not independent for the purposes of the Related Party Transaction given that he is a substantial shareholder and CEO of MXC. The independent Chairman of IDE, Andy Parker, considers, having consulted with the Company's nominated adviser, finnCap, that the terms of the related party transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

7. Action to be taken

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. **Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible** and, in any event, so as to be received by the Company's Registrars, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, not later than 48 hours (excluding non-working days) before the General Meeting is scheduled to begin. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out in Part V of this document). Proxies submitted via CREST must be received by the Company's agent (ID 3RA50) by no later than 10.30 a.m. on

31 October 2022 (or, in the case of an adjournment, not less than 48 hours before the time fixed for the holding of the adjourned meeting (at the discretion of the Directors, excluding any part of a day that is not a Business Day)).

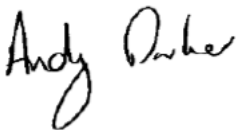
8. Recommendation

The Directors consider the Loan Note Conversion and Capital Reorganisation and the matters set out in the Resolutions to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the GM as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 172,811,125 (being MXC's current holding) Existing Ordinary Shares, representing approximately 34.8 per cent. of the existing issued ordinary share capital of the Company as at the date of this document.

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

Shareholders are recommended to seek their own personal tax advice in relation to the proposals.

Yours faithfully

A handwritten signature in black ink that reads "Andy Parker". The signature is written in a cursive, slightly slanted style.

Andy Parker
Non-Executive Chairman

IDE Group Holdings Plc

PART V: NOTICE OF GENERAL MEETING

IDE GROUP HOLDINGS PLC

(Incorporated under the Companies Act 2006 and registered in Scotland with registered number SC368538)

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of IDE Group Holdings plc ("**Company**") will be held at 10:30 a.m. on 2nd November 2022, at the offices of finnCap, 1 Bartholomew Cl, London, EC1A 7BL for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 4 will be proposed as ordinary resolutions, and resolutions 5 and 6 as special resolutions.

Unless the context otherwise requires, words and expressions used in this notice, including in the notes herein, (the "**Notice**") have the meanings given to them in the circular to shareholders dated 7th October 2022, of which this Notice forms part.

ORDINARY RESOLUTIONS

1. **THAT**, in accordance with article 5.1 of the Company's Articles of Association, the Company create the Deferred Shares as a new class of shares having the rights and being subject to the restrictions set out in the Articles of Association amended pursuant to resolution 6.
2. **THAT**, subject to the passing of resolutions 1 and 6, the subdivision of the Company's issued share capital of 496,702,800 Ordinary Shares be hereby approved on the basis that the existing Ordinary Shares of 2.5 pence each will be subdivided and reclassified as one Redenominated Ordinary Share and one Deferred Share (such Deferred Shares having the rights and being subject to the restrictions set out in the Articles of Association amended pursuant to resolution 6), so that the issued share capital will be as follows:
 - (a) 496,702,800 Redenominated Ordinary Shares each with a nominal value of 0.01 pence; and
 - (b) 496,702,800 Deferred Shares each with a nominal value of 2.49 pence.
3. **THAT**, subject to and conditional upon the passing of resolutions 1, 2 and 6, the Redenominated Ordinary Shares be consolidated by a factor of 100 in order to reduce the number of Ordinary Shares in issue, so that the issued share capital will be as follows:
 - (a) 4,967,028 Ordinary Shares each with a nominal value of 1 penny; and
 - (b) 496,702,800 Deferred Shares each with a nominal value of 2.49 pence.
4. **THAT**, in accordance with section 551 of the Companies Act 2006 (the "**Act**"), the Directors are generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**"), provided that such authority shall be limited to:
 - a. the allotment of shares and/or grant of Rights with an aggregate nominal value of up to £168,926 in connection with the proposed Loan Note Conversion (including the allotment of shares to finnCap in satisfaction of their fees in connection with the transaction); and
 - b. in addition to sub-paragraph (a) above, the allotment of shares and/or grant of Rights with an aggregate nominal value of up to £72,858 (being approximately 33% of the expected issued ordinary share capital of the Company immediately following completion of the Loan Note Conversion,

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of (i) the next annual general meeting of the Company and (ii) 31 December 2023, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in

pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

5. **THAT**, subject to the passing of Resolution 4, in accordance with section 570 of the Act, the Directors are generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- a. the allotment of equity securities with an aggregate nominal value of up to £168,926 in connection with the Loan Note Conversion (including the allotment of shares to finnCap in satisfaction of their fees in connection with the transaction);
- b. in addition to sub-paragraphs (a) above, the allotment of equity securities with an aggregate nominal value of up to £21,860 (being approximately 10% of the expected issued ordinary share capital of the Company immediately following completion of the Loan Note Conversion),

provided that this authority shall expire on the earlier of (i) the next annual general meeting of the Company and (ii) 31 December 2023, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

6. **THAT**, the Company's Articles of Association are hereby amended by:

(a) the insertion of the following definition into article 1 of the Articles:

“**Deferred Shares**” means deferred shares of 2.49 pence each in the capital of the company having the rights and being subject to the restrictions set out in Article 49;”

(b) the insertion of a new article 49 into the Articles as follows:

“49. DEFERRED SHARES

49.1 The Deferred Shares shall only have those rights set out in this Article 49. Notwithstanding the reference to “shares” in these Articles, such reference shall exclude any reference to Deferred Shares where to include such a reference would not be in compliance with this Article 49. The reference to “member” shall include a reference to the holder of the Deferred Shares, but only to the extent that such reference would not conflict with the rights granted to the member as provided in this Article 49.

49.2 The Deferred Shares shall not be entitled to any dividend or distribution, whether pursuant to these Articles or otherwise.

49.3 The Deferred Shares shall not entitle the holders of such Deferred Shares to receive notice of or to attend, speak or vote at any general meeting of the Company by virtue of their holdings of any Deferred Shares.

49.4 The Deferred Shares are not transferable.

49.5 On a return of assets on liquidation or capital reduction or otherwise, the holders of the Deferred Shares, if any, shall only be entitled to a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares).

- 49.6 Subject to the Act, any Deferred Shares may be redeemed by the Company at any time at its option for £1.00 for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or the holders.
- 49.7 The allotment or issue of Deferred Shares or the conversion of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue or conversion to appoint any person to execute or give on behalf of the holder of those Deferred Shares:
- (a) an agreement to transfer and a transfer of such Deferred Shares to such person or persons as the company may determine; and/or
 - (b) a consent to the cancellation of such Deferred Shares; and/or
 - (c) an agreement to transfer and a transfer of such Deferred Shares to such person or persons as the company may determine as custodian thereof; and/or
 - (d) an agreement for the company to purchase such Deferred Shares in accordance with the Act, in any such case for a price being not more than an aggregate sum of £1.00 for all the Deferred Shares registered in the name of any holder so purchased without obtaining the sanction of such holder or holders and pending such transfer and/or purchase to retain the certificates (if any) in respect thereof.
- 49.8 In the event of any conflict or inconsistency between this Article 49 and any other provision of these Articles, this Article 49 shall prevail in respect of any matter relating to the Deferred Shares.
- (a) the insertion of a new article 50 into the Articles as follows:

"50. SUBDIVISION

The Company may by ordinary resolution, subject to the provisions of the Acts, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the other."

By order of the Board

7th October 2022

Registered Office

c/o IDE Group Holdings PLC
24 Dublin Street
Edinburgh
Scotland, EH1 3PP

Notes to the Notice of General Meeting:

1. Entitlement to vote

Pursuant to Part 13 of the Companies Act 2006 and to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered on the Company's register of members at the close of business on 31 October 2022; or, if this General Meeting is adjourned, at the close of business on the day 48 hours prior to the adjourned meeting, shall be entitled to vote at the General Meeting.

2. Appointment of proxies

If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a proxy form with this notice of meeting.

You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on

your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the Form of Proxy.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote (or abstain from voting) at his or her discretion, your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

3. Appointment of proxy using hard copy proxy form

The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY; and
- received by Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY no later than 10.30 a.m. on 31 October 2022.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

4. Appointment of proxy by joint members

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. Changing proxy instructions

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see note 3 above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY.

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.

6. Termination of proxy appointments

In order to revoke a proxy instruction, you will need to inform the Company using the following method:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY. In the case of a member 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.

The revocation notice must be received by Computershare Investor Services PLC, The Pavilions, Bridgewater Road, Bristol, BS99 6ZY no later than 10.30 a.m. on 31 October 2022.

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

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

7. Submission of proxy electronically

CREST members who wish to appoint a proxy or proxies through the CREST proxy appointment service may do so for the General Meeting (and any adjournment thereof) by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, 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's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it relates to the appointment of a proxy, the revocation of a proxy appointment or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Issuers Agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in note 3

above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Issuers 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, the CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual (available at www.euroclear.com/CREST) concerning practical limitation 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 (as amended).

8. Companies and other organisations

A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in notes 2 to 4 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provision of the Companies Act 2006.

