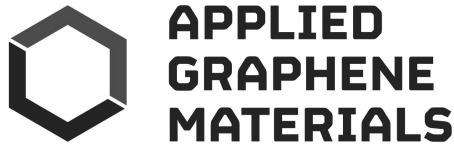


**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the UK or, if not, from another appropriately authorised independent financial adviser.**

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this Document, (for use within the UK only), 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. If you have sold 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.

The Directors, whose names appear on page 3 of this Document, accept responsibility, collectively and individually, for the information contained in this Document (including any expressions of opinion). To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Your attention, in particular, is drawn to Part II of this Document which sets out and describes certain risk factors that you should consider carefully when deciding whether or not to vote in favour of the Resolutions proposed at the General Meeting. The whole of this Document should be read in the light of these risk factors.



## **APPLIED GRAPHENE MATERIALS PLC**

*(Incorporated and registered in England and Wales under the Companies Act 2006 with number 8708426)*

### **Proposed Disposal of Trading Subsidiaries Proposed Cancellation of Admission of Ordinary Shares to trading on AIM Re-registration as a Private Limited Company Adoption of New Articles of Association and Notice of General Meeting**

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**This Document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out in Part I of this Document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.**

Notice of the General Meeting of the Company to be held at the offices of Squire Patton Boggs (UK) LLP at 6 Wellington Place, Leeds, LS1 4AP at 11:00 a.m. on 15 March 2023 is set out in Part VI of this Document. You will not receive a hard copy proxy form. Instead you will be able to vote electronically or submit an online Form of Proxy using the link [www.signalshares.com](http://www.signalshares.com). The online Form of Proxy should be completed in accordance with the instructions as soon as possible and, in any event, so as to be received no later than 11:00 a.m. on 13 March 2023 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). All times listed in this Document are made in reference to GMT.

If you need help with voting online, please contact our Registrar, Link Group on Tel: 0371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday (excluding public holidays in England and Wales), or by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk).

Should you wish to raise any questions ahead of the General Meeting please do so via email at [info@appliedgraphenematerials.com](mailto:info@appliedgraphenematerials.com).

A copy of this Document will be made available at the Company's website, <https://www.appliedgraphenematerials.com/reports-and-presentations/>. The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this Document.

#### **CAUTIONARY NOTICE 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", "forecasts", "plans", "prepares", "targets", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Document and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. No statement in this Document is intended to be a profit forecast and no statement in this Document should be interpreted to mean that earnings per share of the Company for the current or future years would necessarily match or exceed the historical published earnings per share of the Company.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this Document. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this Document, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements that the Company makes in this Document speak only as of the date of such statement, and none of the Company or the Directors undertake any obligation to update such statements unless required to do so by applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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## DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

<b>Directors:</b>	Dr Adrian Potts ( <i>Chief Executive Officer</i> ) Dr Bryan Dobson ( <i>Non-executive Chairman</i> ) David Blain ( <i>Chief Financial Officer</i> ) Professor Karl Coleman ( <i>Chief Scientific Officer</i> ) Sean Christie ( <i>Non-executive Director</i> )
<b>All of whose business address is</b>	The Company's registered office
<b>Company Secretary:</b>	David Blain
<b>Registered Office:</b>	The Wilton Centre Wilton Redcar Cleveland TS10 4RF
<b>Nominated Adviser:</b>	Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX
<b>Broker:</b>	Singer Capital Markets Securities Limited One Bartholomew Lane London EC2N 2AX
<b>Solicitors to the Company:</b>	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP
<b>Auditors:</b>	RSM UK Audit LLP Central Square 29 Wellington Street Leeds LS1 4DL
<b>Registrars:</b>	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or date <sup>(1)</sup>
Announcement of the proposed Disposal, Cancellation and Re-registration	22 February 2023
Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	27 February 2023
Publication of this Document	27 February 2023
Posting of this Document	27 February 2023
Latest time for receipt of proxy votes in respect of the General Meeting	13 March 2023
General Meeting	15 March 2023
Announcement of results of General Meeting	15 March 2023
Expected last day of dealings in Ordinary Shares on AIM	30 March 2023 <sup>(4)</sup>
Expected time and date of Cancellation	7:00 a.m. 31 March 2023
Re-registration as a private company	week commencing 3 April 2023
Expected Completion of the Disposal	the date falling 2 Business Days following satisfaction of the Conditions
Long Stop Date (unless extension mutually agreed)	30 April 2023

### Notes:

1. All of the times referred to in this Document refer to London time, unless otherwise stated.
2. Each of the times and dates in the above timetable is subject to change. If any of the above times/dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.
3. Each of the events listed in the above timetable following the General Meeting are conditional on, *inter alia*, the passing of certain of the Resolutions at the General Meeting.
4. Notwithstanding the fact that the Ordinary Shares have been suspended from trading on AIM pending publication of the Company's audited annual report and accounts for the year ended 31 July 2022.

## DEFINITIONS

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

“AGM UK”	Applied Graphene Materials UK Limited (registered in England and Wales with company number 7330136);
“AGM US”	Applied Graphene Materials LLC (registered in Delaware, U.S. with company number 3905739);
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies together with all accompanying guidance notes (as published by the London Stock Exchange from time to time);
“Board” or “Directors”	the board of directors of the Company from time to time;
“Business Day”	a day, not being a public holiday, Saturday or Sunday on which clearing banks in London are open for business;
“Buyer”	Universal Matter UK Limited (registered in England and Wales with company number 14667636);
“Cancellation”	the cancellation of admission to trading on AIM of the Ordinary Shares in accordance with Rule 41 of the AIM Rules, subject to the passing of the Cancellation Resolution;
“Cancellation Resolution”	Resolution 2 to be proposed at the General Meeting;
“certificated” or “in certificated form”	an Ordinary Share which is not in uncertificated form;
“Code”	City Code on Takeovers and Mergers;
“Conditions”	has the meaning given in paragraph 3 of Part 1;
“Company”	Applied Graphene Materials plc (registered in England and Wales with company number 8708426);
“Completion”	completion of the Disposal pursuant to the terms of the SPA;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended);
“CREST Member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations);
“CREST Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended), and any applicable rules made thereunder;
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system-participant (as defined in the CREST Regulations);
“CREST Sponsored Member”	a CREST Member admitted to CREST as a sponsored member;
“Current Articles”	the articles of association of the Company at the date of this Document;

<b>“Disposal”</b>	the proposed sale and purchase of the Trading Subsidiaries, subject ( <i>inter alia</i> ) to satisfaction of the Conditions pursuant to the terms of the SPA;
<b>“Disposal Resolution”</b>	Resolution 1 to be proposed at the General Meeting;
<b>“Document”</b>	this circular as circulated to the Shareholders of the Company;
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST;
<b>“Form of Proxy”</b>	the form of proxy for use in connection with the General Meeting;
<b>“FY22”</b>	the financial year ended 31 July 2022;
<b>“General Meeting”</b>	the general meeting of the Company convened for 11:00 a.m. on 15 March 2023 to approve the Resolutions, or any adjournment thereof, notice of which is set out at the end of this Document;
<b>“Group”</b>	the Company, the Trading Subsidiaries and Applied Graphene Ventures Limited (dormant);
<b>“Holding Costs”</b>	has the meaning given in paragraph 3 of Part 1;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Long Stop Date”</b>	30 April 2023;
<b>“New Articles”</b>	the new articles of association of the Company proposed to be adopted pursuant to Resolution 3 proposed at the General Meetings with the principle differences between the Current Articles and the proposed New Articles summarised in Part III of this Document, a copy of which can be viewed at <a href="https://www.appliedgraphenematerials.com/reports-and-presentations/">https://www.appliedgraphenematerials.com/reports-and-presentations/</a> ;
<b>“Notice of General Meeting”</b>	the notice of the General Meeting set out in Part VI of this Document;
<b>“NSIA”</b>	National Security and Investment Act 2021;
<b>“Ordinary Shares”</b>	ordinary shares of 2 pence each in the capital of the Company;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Proposals”</b>	together the Disposal, the Cancellation and the Re-registration, as described in this Document;
<b>“Register”</b>	the register of members of the Company;
<b>“Registrar”</b>	Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL;
<b>“Re-registration”</b>	the proposed re-registration of the Company as a private limited company;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting at Part VI of this Document;
<b>“Shareholders”</b>	holders of Ordinary Shares;
<b>“SPA”</b>	the conditional share purchase agreement dated 21 February 2023 entered into between (i) the Company and (ii) Universal Matter UK Limited in respect of the Disposal;
<b>“Trading Subsidiaries”</b>	AGM UK and AGM US;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

**“UK MAR”**

Regulation (EU) (No 596/2014) of the European Parliament and of the Council of 16 April 2014 on market abuse to the extent that it forms part of the domestic law of the United Kingdom including by virtue of the European Union (Withdrawal) Act 2018 (as amended by virtue of the European Union (Withdrawal Agreement) Act 2020); and

**“UK” or “United Kingdom”**

United Kingdom of Great Britain and Northern Ireland

All references in this Document to “£”, “pence”, “p” or “pounds sterling” are to the lawful currency of the UK, all references to “US\$” or “\$” are to the lawful currency of the United States.

## PART I

### LETTER FROM THE CHAIRMAN OF APPLIED GRAPHENE MATERIALS PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with number 8708426)

Directors:

Dr Adrian Potts  
Dr Bryan Dobson  
David Blain  
Professor Karl Coleman  
Sean Christie

Registered Office:  
The Wilton Centre  
Wilton  
Redcar  
Cleveland  
TS10 4RF

27 February 2023

Dear Shareholder,

**Proposed Disposal of Trading Subsidiaries  
Proposed Cancellation of Admission of Ordinary Shares to trading on AIM  
Re-registration as a Private Limited Company and Associated Adoption of New Articles  
Notice of General Meeting**

#### 1. INTRODUCTION

The Company announced on 22 February 2023 that it had entered into the SPA pursuant to which the Company will sell the entirety of its shares in the Trading Subsidiaries to the Buyer for US\$ 1,300,000. Furthermore, on the same date, the Company announced that the Directors are of the belief that it is in the Company's best interests to pursue the cancellation of the Company's Ordinary Shares to admission to trading on AIM.

This document: (a) sets out the background to and reasons for the Company's entry into the SPA; (b) explains why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders; (c) provides details of the General Meeting and the Resolutions to be proposed at that General Meeting; and (d) explains why the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

The Disposal is conditional on, *inter alia*, Shareholder approval at the General Meeting and NSIA approval pursuant to a mandatory notification made by the Buyer on 22 February 2023.

If the Disposal Resolution is passed, it is currently expected that Completion of the Disposal will occur on the date falling 2 Business Days following satisfaction of the Conditions.

The Cancellation and subsequent Re-registration are conditional on Shareholder approval at the General Meeting.

Under the AIM Rules, the Cancellation requires the expiration of a period of not less than 20 clear Business Days from the date on which notice of the intended Cancellation is notified via a Regulatory Information Service and is given to the London Stock Exchange. Pursuant to Rule 41 of the AIM Rules, the Directors have notified the London Stock Exchange of the date of the proposed Cancellation. Subject to the passing of the Cancellation Resolution, Cancellation will occur no earlier than five clear Business Days after the General Meeting and it is therefore expected that trading in the Ordinary Shares on AIM (which are currently suspended) will cease at the close of business on 30 March 2023, with Cancellation expected to take effect at 7.00 a.m. on 31 March 2023.

#### 2. BACKGROUND TO AND REASONS FOR THE PROPOSALS

AGM UK was founded in July 2010 and the Company was admitted to trading on AIM in November 2013, raising £11 million. The Group has successfully raised funds on a number of occasions since to launch numerous commercial products and develop an international sales distribution network.

In January 2021, £6 million was raised to provide the funding necessary for the Board to execute the next stage of its growth plan and, at the time, it was noted that the Group would likely need to raise further funds in 2023 to continue to make progress towards its medium-term objectives.



As previously announced, and noted in the interim results for the six months ended 31 January 2022, the Group's performance has been impeded by COVID-19 disruption and supply chain challenges for basic raw materials. A number of existing and potential customers have experienced challenges when sourcing the raw materials needed for their own products and this has led to a slower than anticipated rate of customer orders materialising. As a result, commercial development took longer than previously expected.

In preparation, the Group laid the groundwork for a fundraise in early 2022. This included the consideration of potential investors in non-UK jurisdictions but in particular focusing on the USA. In addition, the Group met with UK investors in October and November 2022 to gauge demand for a potential fundraise. Neither exercise uncovered suitable demand for a fundraise with the lack of interest driven by investors unwilling to back early stage pre-commercial revenues loss-making companies.

In response, the Group appointed Alvarez & Marsal Europe LLP to conduct a strategic review in November 2022 to consider the options available to maximise value for the Company's Shareholders and other stakeholders. The strategic review did not uncover any offers for funding from a strategic investor.

It has become increasingly apparent to the Board during the strategic review that the business can no longer continue as an independent entity and it has been decided, therefore, that the best course of action is to pursue a sale of the Trading Subsidiaries in the interests of Shareholders and other stakeholders.

The Directors strongly believe that in light of the Disposal and for the reasons referred to in paragraph 8 below, the Company should seek the cancellation of the admission of its Ordinary Shares to trading on AIM and subsequently seek a solvent wind-up.

### **3. TERMS OF THE DISPOSAL**

#### **Conditions**

The Disposal is conditional upon:

- the Disposal Resolution being passed at the General Meeting (or any adjournment thereof); and
- the Secretary of State providing the Buyer with requisite clearance in accordance with the NSIA pursuant to a mandatory notification made by the Buyer in respect of the Disposal, in each case, by the Long Stop Date ("**Conditions**").

The Buyer and the Company can mutually agree to extend the Long Stop Date but are not obliged to do so.

#### **Termination**

The SPA is terminable by the Buyer in the event of the occurrence of a material adverse change of AGM UK, being a material undisclosed liability of AGM UK, AGM UK being a party to material litigation or the resignation of a certain proportion of AGM UK's employees.

#### **Company Covenants**

The SPA includes interregnum provisions in relation to the Company's conduct of AGM UK and AGM US for such period until Completion.

The SPA also provides for the Company to provide the Buyer with non-solicit and non-compete covenants for a period of 2 years following Completion.

#### **Completion**

Completion shall take place on the date that is 2 Business Days after the last of the Conditions has been satisfied or waived.

#### **Consideration**

The terms of the Disposal provide that the Buyer will conditionally acquire the entire share capital of AGM UK and AGM US, entities in which the Company has a 100% equity interest. The Consideration for the Trading Subsidiaries will be paid entirely in cash and split as follows:

- Shares in AGM UK: US\$1,299,999
- Shares in AGM US: US\$1

#### **Funding to Completion**

The agreed terms of the Disposal provide AGM UK with liquidity to continue to operate prior to Completion. The Buyer has agreed to pay holding costs to AGM UK (the "**Holding Costs**") for the period

from 1 March 2023 until the earlier of Completion or the Long Stop Date, with any such Holding Costs paid deducted from the final Consideration payable to the Company for the Disposal. In the event the Disposal Resolution is not passed by the Shareholders at the General Meeting, the SPA will be terminated and any undischarged Holding Costs will be repayable by the Company.

The balance between the aggregate Holding Costs paid by the time of Completion and the Consideration will be satisfied in US\$ on Completion in full and final discharge of the obligations of the Buyer to pay the Consideration.

The SPA provides that on Completion: (i) any residual cash in AGM UK which is not allocated to AGM UK operating costs (if any) shall be for the benefit of the Company; and (ii) all debts and liabilities of the Trading Subsidiaries to the Company or its associates shall be cancelled and / or waived.

#### **4. DESCRIPTION OF THE TRADING SUBSIDIARIES SUBJECT OF THE DISPOSAL**

The principal activities of AGM UK are the research, development and manufacture of graphene. As at 31 July 2021 (FY21) (being the Company's most recently audited balance sheet) AGM UK had net assets of £1,780,000 (FY20: net liabilities £26,343,000). AGM UK generated revenues in FY21 of £123,000 (FY20: £83,000), generating losses after tax of £2,438,000 (FY20: £2,697,000).

The principal activities of AGM US are for administrative purposes with US regulatory authorities. AGM US has had no financial transactions since its inception. It has no assets or liabilities.

#### **5. BACKGROUND TO THE BUYER**

Founded in July 2019, Universal Matter Inc is a Canadian-based developer and supplier of graphene-based solutions to several major industries. Its proprietary Turbostratic Graphene utilises a broad range of carbon-based feedstock materials, including recycled tires/plastic, petroleum coke, coal, biomass, methane derived carbon and others. Universal Matter has operations in the US and Canada and leverages its strong R&D foundation to scale production processes and supply high quality graphene to a diverse customer base with global presence.

#### **6. USE OF PROCEEDS**

It is anticipated that the net Consideration (after deducting the Holding Costs and advisers' costs) will substantially be used to pay creditors, wages and salaries which have accrued to the Group's staff and the Company's Directors and operating costs of the Group until the Company can be wound down.

Should Completion occur, the Board will seek to wind-up the Company on a solvent basis, however the Board anticipates that, following settlement of advisory fees in connection with the Disposal and ongoing costs associated with the business, the Company will have a minimal net cash position following Completion and therefore, is very unlikely to be in a position to return funds to Shareholders. To the extent there are any residual amounts after the costs of the winding up are deducted, then such amounts will be distributed to Shareholders via an appointed liquidator.

If the Disposal does not proceed, then the Board anticipate that they would need to wind the Company up on an insolvent basis, which is likely to have adverse implications for creditors and employees of the Company.

**If Shareholders vote down the Disposal Resolution then, in the Board's view, the Company and AGM UK would appoint administrators almost immediately and this is expected to materially reduce any final returns to Shareholders and stakeholders.**

#### **7. PRINCIPAL EFFECTS OF THE DISPOSAL AND AIM RULE 15**

Together, the Trading Subsidiaries represent all of the Company's trading business, activities and substantially all of its assets. The Disposal is a Fundamental Change of Business under AIM Rule 15. On Completion, the Company will cease to own, control or conduct all or substantially all of its existing trading business, activities or assets.

In accordance with the AIM Rules, completion of the Disposal is conditional on Shareholders passing the Disposal Resolution.

Following Completion, the Company will become an AIM Rule 15 cash shell and as such, will either be required to make an acquisition or acquisitions constituting a reverse takeover under AIM Rule 14 on or before the date falling six months from Completion or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million pursuant to AIM Rule 8)

failing which, the Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. Admission to trading on AIM would be cancelled six months from the date of any suspension should the suspension not have been lifted beforehand (notwithstanding that the Ordinary Shares have been suspended from trading on AIM since 1 February 2023 pending publication of the Company's FY22 Annual Report and Accounts).

As a cash shell, the Company would have no operating cash flow and would be dependent on the net proceeds of the Disposal for its working capital requirements. Furthermore, the Directors believe that the Company would not be of sufficient scale to attract any interest from institutional and other investors and would consequently suffer from a lack of liquidity in the Ordinary Shares.

Following Completion, there will be negligible assets remaining within the Group which would not justify the costs associated with remaining as a listed business.

The Directors have also taken into account the principal risk factors that they have identified and which are set out in Part II of this Document.

## **8. BACKGROUND TO AND REASONS FOR THE CANCELLATION AND RE-REGISTRATION**

The Directors have for some time been reviewing the merits or otherwise of the Company's Ordinary Shares continuing to be admitted to trading on AIM and remaining a public limited company in the UK. The following key factors have been taken into account by the Directors in reaching the conclusion that, assuming completion of the Disposal, the De-Listing is in the best interests of the Company and its Shareholders as a whole:

- following Completion, there will be negligible assets remaining within the Group which would not justify the costs associated with remaining as a listed business; and
- as a cash shell, the Directors believe that the Company would not be of sufficient scale to attract any interest from institutional and other investors and would consequently suffer from a lack of liquidity in its Ordinary Shares.

The Directors strongly believe that for the reasons referred to above the Company should seek the Cancellation and subsequently a solvent wind-up. In the event that the Disposal is completed and the De-Listing does not occur, as an AIM Rule 15 cash shell, if the Company does not make an acquisition or acquisitions constituting a reverse takeover under the AIM Rules within twelve months of becoming an AIM Rule 15 cash shell, then the Company's Ordinary Shares would be suspended from trading on AIM (notwithstanding, as described above, that the Company's Ordinary Shares have been suspended from trading since 1 February 2023 pending publication of the Company's Annual Report and Accounts for FY22).

In addition, in connection with the Re-registration, it is proposed that the New Articles be adopted given the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part III of this Document.

## **9. PROCESS FOR, AND PRINCIPAL EFFECTS OF, THE CANCELLATION**

Under the AIM Rules, it is a requirement that Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a general meeting. Accordingly, the Notice of General Meeting set out at the end of this Document contains a special resolution to approve the Cancellation (please refer to the Cancellation Resolution).

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention to cancel the Company's admission of the Ordinary Shares to trading on AIM on 31 March 2023. Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 30 March 2023 and that Cancellation will take effect at 7.00 a.m. on 31 March 2023.

The principal effects of the Cancellation will include the following:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares on AIM (or any other recognised market or trading exchange);

- while the Ordinary Shares will remain freely transferable, the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- in the absence of a formal market and quote, it may be difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the Company will no longer be required to comply with the AIM Rules (and accordingly, Shareholders will no longer be afforded the protections given by the AIM Rules, such as the independence of the Board and scrutiny of transactions with related parties, allowing larger shareholders to exercise more influence and control). In particular:
  - o the Company will not be bound to make any public announcements of material events, or to announce interim or final results, comply with any of the corporate governance practices applicable to AIM companies, announce substantial transactions and related party transactions, or comply with the requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business;
  - o Singer Capital Markets Advisory LLP will cease to be the Company's nominated adviser and Singer Capital Markets Securities Limited will cease to be the Company's broker. The Company will cease to retain a nominated adviser and broker;
- the Company will no longer be subject to UK MAR regulating inside information and other matters;
- the Company will no longer be required to publicly disclose any change in major shareholdings in the Company under the Disclosure Guidance and Transparency Rules;
- the Company currently follows the Quoted Companies Alliance Corporate Governance Code. Following Cancellation it will no longer be required to follow a recognised corporate governance code;
- whilst the Company's CREST facility will remain in place immediately post the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST (in which case, Shareholders who hold Ordinary Shares in CREST will receive share certificates);
- stamp duty will be due on transfers of shares and agreements to transfer shares unless a relevant exemption or relief applies to a particular transfer; and
- the Cancellation and Re-registration may have either positive or negative taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser immediately.

**The above considerations are not exhaustive and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.**

Immediately following Cancellation:

- the Company will remain a public company registered with the Registrar of Companies in England and Wales in accordance with and subject to the Companies Act 2006, notwithstanding the Cancellation, until the Re-registration takes place (subject to approval);
- the Code will continue to apply for a period of ten years from the Cancellation provided that the Company is considered by the Panel to have its place of central management and control in the United Kingdom; and
- the Board confirms that there is currently no intention to change the existing Directors.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles, with effect from the Re-registration.

A summary of the principal effect of Re-registration and the adoption of the New Articles on Shareholders is included in Part III of this Document. A copy of the New Articles can be viewed at <https://www.appliedgraphenematerials.com/reports-and-presentations/>.

**If Shareholders vote down the Cancellation Resolution, then the Company would remain listed and continue to incur relevant costs, further depleting any potential returns to Shareholders and stakeholders.**

Shareholders should be aware that, now that the Disposal has been agreed (subject to satisfaction of the Conditions), the Directors do not intend to publish accounts for FY22. If the Company does not publish its FY22 accounts by 31 July 2023, then the Company's listing on AIM will be cancelled in any event.

As set out above, the Directors believe that the Company is very unlikely to be in a position to return funds to Shareholders, however, in order to maximise any potential returns for Shareholders and stakeholders on a solvent wind-up, the Board is recommending that Shareholders vote in favour of all Resolutions at the General Meeting.

## **10. TRANSACTIONS IN THE ORDINARY SHARES PRIOR TO AND POST THE PROPOSED CANCELLATION**

### **Prior to Cancellation**

As described below, the Company's Ordinary Shares have been suspended from trading since 1 February 2023 pending publication of the Company's Annual Report and Accounts for FY22.

### **Dealing and settlement arrangements following Cancellation**

The Board is aware that Cancellation, should it be approved by Shareholders at the General Meeting, would make it more difficult for Shareholders to buy and sell Ordinary Shares should they wish to do so. The Company is not proposing to make arrangements for a matched bargain facility to assist Shareholders to trade in Ordinary Shares following Completion, as the Board is seeking to wind-up the Company on a solvent basis. It is anticipated that the Company will have a minimal cash position and will be very unlikely to be in a position to return funds to Shareholders. To the extent there are any residual amounts after the costs of the winding up are deducted, then such amounts will be distributed to Shareholders via an appointed liquidator.

## **11. CURRENT TRADING, STRATEGY AND PROSPECTS**

### **Annual report and accounts for the year ended 31 July 2022**

In light of the proposed Disposal the Company is not proposing to prepare its annual report and accounts for FY22 as the business will not be regarded as a going concern. The Group generated unaudited turnover of £91,000 and an unaudited pre-tax loss of £3,861,000 in the year to 31 July 2022. Unaudited cash as at 31 July 2022 was £2,092,000, however, this has since depleted due to the funding of operating expenditure and the cost of the strategic review process. It should be noted that these figures were prepared assuming that the going concern assumption was applied in preparing the unaudited accounts. The figures would be different if a break up basis is used but the Board sees no benefit in preparing such figures. As previously announced by the Company on 13 January 2023 (and excluding the impact of the Disposal described above), the Board believes that the Company's available working capital will become fully depleted by 28 February 2023 (excluding the impact of the Disposal).

For the avoidance of doubt, as the Company is not proposing to prepare its annual report and accounts for FY22, the Board anticipates that the Company's Ordinary Shares will remain suspended from trading on AIM until the earlier of the Cancellation or a wind-up of the Company.

Post year-end trading has been encouraging, however, at this juncture the Company has insufficient liquidity to pursue its growth strategy. The Board is therefore of the view that it is in Shareholders' and creditors' best interests to sell the Trading Subsidiaries and wind-up the Company.

## **12. RE-REGISTRATION**

As set out above, following the Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part III of this Document.

An application will be made to the Registrar of Companies in England and Wales for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to



cancel the Resolution to re-register as a private limited company or that any such application to cancel the Resolution to re-register as a private limited company has been determined and confirmed by the Court.

### **13. THE TAKEOVER CODE**

The Code applies to all offers for companies which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man if any of their equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man.

The Code also applies to all offers for companies (both public and private) which have their registered office in the United Kingdom, the Channel Islands or the Isle of Man which are considered by the Panel to have their place of central management and control in the United Kingdom, the Channel Islands or the Isle of Man, but in relation to private companies only if one of a number of conditions is met, for example, if the Company's shares were admitted to trading on a UK regulated market or a UK multilateral trading facility or on any stock exchange in the Channel Islands or the Isle of Man at any time in the preceding ten years.

Following the Cancellation and the Re-registration, the Code will continue to apply for a period of ten years from the Cancellation provided that the Company is considered by the Panel to have its place of central management and control in the United Kingdom, or the Channel Islands or the Isle of Man. This is known as the "residency test". The way in which the test for central management and control is applied for the purposes of the Code may be different from the way in which it is applied by the United Kingdom tax authorities, HM Revenue & Customs. Under the Code, the Panel looks to where the majority of the Directors are resident, amongst other factors, for the purposes of determining where the Company has its place of central management and control.

Based on the current composition of the Board, the residency test will be satisfied and the Code will continue to apply to the Company following the Cancellation and the Re-registration. However, the Code could cease to apply to the Company in the future if any changes to the composition of the Board result in the majority of the Directors not being resident in the United Kingdom, the Channel Islands and Isle of Man.

In the event that the Code ceases to apply to the Company in the future, Shareholders would not receive the protections afforded by the Code in the event that there is a subsequent offer to acquire their Ordinary Shares. This includes the requirement for a mandatory cash offer to be made if either:

- (i) a person acquires an interest in shares which, when taken together with the shares in which persons acting in concert with it are interested, increases the percentage of shares carrying voting rights in which it is interested to 30% or more; or
- (ii) a person, together with persons acting in concert with it, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with it, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which it is interested.

Brief details of the Panel, and of the protections afforded by the Code (which will continue to apply following the Re-registration), are set out in Part V this Document.

Before giving your consent to the Re-registration, you may want to take independent professional advice from an appropriate independent financial adviser.

#### **The Code**

The Code is issued and administered by the Panel. The Code currently applies to the Company and, accordingly, its shareholders are entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover, and that shareholders of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

## **The General Principles and Rules of the Code**

The Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover, and that shareholders of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

In addition to the General Principles, the Code contains a series of Rules. Some of the Rules provide more detail on how the General Principles will be applied by the Panel and others govern specific aspects of takeover procedure. Like the General Principles, the Rules are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

### **Giving up the protection of the Code**

A summary of key points regarding the application of the Code to takeovers generally is set out in Part V of this Document. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if you agree to the Cancellation and the Re-registration and the Company subsequently ceases to be subject to the Code in the future.**

## **14. GENERAL MEETING**

Notice of the General Meeting to be held at the offices of Squire Patton Boggs (UK) LLP at 6 Wellington Place, Leeds, LS1 4AP on 15 March 2023 at 11:00 a.m. is set out at Part VI of this Document.

The following Resolutions will be proposed at the General Meeting:

Resolution 1 is an ordinary resolution to approve the Disposal.

Resolution 2 is a special resolution to approve the Cancellation.

Resolution 3 is a special resolution to re-register the Company as a private company and to approve the adoption by the Company of the New Articles.

Resolution 3 is conditional on the passing of Resolution 2.

Resolution 1 is proposed as an ordinary resolution which means that for this resolution to be passed, at least 50% of the votes cast must be in favour of the Resolution. Resolutions 2 and 3 are proposed as special resolutions which means that for these resolutions to be passed, at least 75% of the votes cast must be in favour of the Resolutions.

## **15. ACTION TO BE TAKEN IN RELATION TO THE GENERAL MEETING**

You will not receive a hard copy proxy form. Instead you will be able to vote electronically or submit an online Form of Proxy using the link [www.signalshares.com](http://www.signalshares.com). You will need to log into your Signal Shares account, or register if you have not previously done so. To register you will need your Investor Code. This is detailed in your share certificate or available from our registrars, Link Group.

Proxy votes must be received no later than 11:00 a.m. on 13 March 2023 or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day) at the latest.

Shareholders may request a hard copy Form of Proxy direct from the Registrar, Link Group, on 0371 664 0391 for use at the General Meeting. If you receive a hard copy please complete the Form of Proxy, following the instructions, and return it to the Registrar, Link Group, PXS1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible, to arrive by 11:00 a.m. on 13 March 2023 or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day) at the latest.

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 General Meeting set out in Part VI of this Document). Proxies submitted via CREST must be received by the Company's agent by no later than 11:00 a.m. on 13 March 2023 (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)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in your absence.

#### **16. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the New Articles will be available for inspection: (a) at the registered office of the Company at The Wilton Centre, Wilton, Redcar, Cleveland TS10 4RF from 10 a.m. to 4 p.m. on any Business Day from the date of this Document until conclusion of the General Meeting; and (b) on the date of the General Meeting, at the offices of Squire Patton Boggs (UK) LLP at 6 Wellington Place, Leeds LS1 4AP for at least 15 minutes before commencement of the General Meeting and until conclusion of the General Meeting.

A copy of the New Articles will also be available on the Company's website at <https://www.appliedgraphenematerials.com/reports-and-presentations/>.

#### **17. RECOMMENDATION**

**The Directors consider the Resolutions being proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of the 2,226,475 existing Ordinary Shares held, directly or indirectly, by them representing approximately 3.46 per cent. of the total voting rights of the Company.**

Yours sincerely

**Bryan Dobson**

*Chairman*

*Applied Graphene Materials plc*



## PART II

### RISK FACTORS

Shareholders should carefully consider all of the information in this Document including the risks below. The Board has identified these risks as material risks, but additional risks and uncertainties not presently known to the Board, or that the Board considers immaterial, may also adversely affect the Company. If any or a combination of the following risks materialise, the Company's business, financial condition and/or performance could be materially adversely affected.

The following risk factors should not be considered in any order of priority. The Company's future performance might be affected by changes in market conditions and legal, regulatory and tax requirements.

#### THE DISPOSAL DOES NOT PROCEED TO COMPLETION

The Disposal is conditional on, *inter alia*, the Conditions being satisfied. In the event the Conditions are not approved or if the SPA is terminated in accordance with its terms, the Disposal will not proceed to Completion. In the event that the Disposal does not proceed to Completion, the Board anticipates that the Company and AGM UK would appoint administrators almost immediately and this is expected to materially reduce any final returns to Shareholders and stakeholders.

#### TIMING OF THE PROPOSED DISPOSAL

If the Conditions to Completion are not satisfied by the Long Stop Date, the SPA terminates. Between 1 March 2023 and the Long Stop Date, the Buyer has agreed to pay Holding Costs to AGM UK (as summarised in paragraph 3 of Part I). The aggregate Holding Costs are deducted from the Consideration payable to the Company and, given the Company's current cash position, in the event that Conditions have not been satisfied by the Long Stop Date such that Completion can occur by such date, the aggregate Consideration which would actually be received by the Company is likely to reduce to an amount which would mean that the Company and AGM UK would be considering the appointment of administrators at such point which is expected to materially reduce any final returns to stakeholders.

#### THE CANCELLATION RESOLUTION IS NOT APPROVED

In accordance with AIM Rule 15, the Disposal constitutes a fundamental change of business of the Company. On Completion, the Company would cease to own, control or conduct all or substantially all, of its existing trading business, activities or assets.

In the event that the Cancellation Resolution is not approved and the Conditions to the Disposal are satisfied, following Completion, until such point as the Company is wound up, the Company will become an AIM Rule 15 cash shell and as such will be required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) on or before the date falling six months from completion of the Disposal or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million) failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40.

Any failure therefore in completing an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission as an investing company (as defined under the AIM Rules)) will result in the cancellation of the Company's Shares from trading on AIM.

As a cash shell, the Company would also have no operating cash flow and would be dependent on the net proceeds of the Disposal for its working capital requirements.

Admission to trading on AIM would be cancelled six months from the date of suspension should the reason for the suspension not have been rectified. In any event, given the Company has not prepared its annual report and accounts for FY22 and is not proposing to do so in light of the proposed Disposal, as the Company's Ordinary Shares have been suspended since 1 February 2023, the Company's Ordinary Shares will be cancelled from trading on AIM with effect from 1 July 2023.

## **PART III**

### **PRINCIPAL EFFECT OF RE-REGISTRATION AND ADOPTION OF NEW ARTICLES ON SHAREHOLDERS**

#### **1. ACCOUNTS**

A public company is required to file its accounts within six months following the end of its financial year and then to circulate copies of the accounts to Shareholders. Following the Re-registration and the adoption of the New Articles, the period for the preparation of accounts is extended to nine months following the end of the financial year.

#### **2. GENERAL MEETINGS AND RESOLUTIONS**

A public company is required to hold an annual general meeting of Shareholders each year, whereas a private company is not. Therefore, following the Re-registration and the adoption of the New Articles the Company will not hold annual general meetings.

In addition, after the Re-registration, resolutions of the Shareholders of the Company may be obtained via written resolutions, rather than via physical meetings. This is done by obtaining the approval in writing to that resolution of the holders of a majority of voting shares then in issue (in the case of ordinary resolutions) and the holders of at least 75 per cent. of the voting shares then in issue (in the case of special resolutions).

#### **3. DIRECTORS**

The Current Articles contain provisions requiring the directors of the Company to retire by rotation every three years. This provision is not included in the New Articles. In addition, the New Articles will not require any director appointed by the Board to be re-appointed by the Shareholders at the next annual general meeting following his appointment, as is currently required.

The Current Articles also provide that the minimum number of directors of the Company is two. The New Articles provide that the minimum number of directors of the Company is one.

#### **4. ISSUE OF SHARES FOR NON-CASH CONSIDERATION**

As a public company, there are restrictions on the ability of the Company to issue new shares, for example, by requiring the Company to obtain a valuation report in the case of shares issued for non-cash consideration. These restrictions will not apply following the Re-registration and adoption of the New Articles.

#### **5. FINANCIAL ASSISTANCE, REDUCTIONS OF CAPITAL AND PURCHASE OF OWN SHARES OUT OF CAPITAL**

As a public limited company, the Company is currently prohibited from performing actions which constitute financial assistance for the acquisition of its own shares. This limits the ability of the Company to engage in certain transactions. However, following the Re-registration, these restrictions will no longer apply.

In addition, the Company must currently obtain the sanction of the Court for any reduction of capital, which can be a lengthy and expensive process. However, following the Re-registration, the Company will be able to take advantage of more flexible provisions applicable to private companies, which do not require the approval of the Court.

#### **6. COMPANY SECRETARY**

There is no requirement for a company secretary to be appointed, although the Company may appoint one should it wish.

#### **7. REMOVAL OF UNNECESSARY PROVISIONS AND SIMPLIFICATION**

The New Articles will not contain certain of the detailed provisions of the Current Articles which are common for listed companies, and which will not be necessary for the Company following the Cancellation.

## **PART IV**

### **THE GENERAL PRINCIPLES OF THE CODE**

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

## PART V

### DETAILED APPLICATION OF THE CODE

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies. **You should note that if the Cancellation becomes effective (subject to the Re-registration occurring) you will in the future be giving up protections afforded by the Code.**

#### EQUALITY OF TREATMENT

General Principle 1 of the Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

#### INFORMATION TO SHAREHOLDERS

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a takeover bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

#### THE OPINION OF THE OFFEREE BOARD AND INDEPENDENT ADVICE

The board of the offeree company is required by Rule 3.1 of the Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to shareholders. Rule 25.2 requires the board of the offeree company to send to shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The document sent to shareholders must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except in certain circumstances, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner

#### MORE THAN ONE CLASS OF EQUITY SHARE CAPITAL

Rule 14 provides that where a company has more than one class of equity share capital, a comparable offer must be made for each class whether such capital carries voting rights or not.

#### OPTIONHOLDERS AND HOLDERS OF CONVERTIBLE SECURITIES OR SUBSCRIPTION RIGHTS

Rule 15 of the Code provides that when an offer is made and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the holders of those securities to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights.

If Cancellation occurs, 10 years following the Cancellation (subject to Re-registration having occurred) or on such other date at which the Code ceases to apply to the Company, these protections will be lost.

## PART VI

### NOTICE OF GENERAL MEETING OF APPLIED GRAPHENE MATERIALS PLC

Notice is given that a General Meeting of Applied Graphene Materials plc (“**Company**”) will be held at the offices of Squire Patton Boggs (UK) LLP at 6 Wellington Place, Leeds LS1 4AP at 11:00 a.m. on 15 March 2023 for the purposes of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolutions 2 and 3 will each be proposed as a special resolution. 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 from the Company to Shareholders dated 27 February 2023, of which this Notice forms part.

#### ORDINARY RESOLUTION

##### 1. DISPOSAL

That, the sale by:

- (a) the Company to Universal Matter UK Limited of the entire issued share capital of Applied Graphene Materials UK Limited;
- (b) the Company to Universal Matter UK Limited of the entire issued share capital of Applied Graphene Materials LLC,

in accordance with the terms of a conditional share purchase agreement entered into between (i) the Company and (ii) Universal Matter UK Limited dated 21 February 2023 as referred to and described in the circular to Shareholders of the Company dated 27 February 2023 of which this Notice forms part of, be approved with the consequence that the Company will become a cash shell within the meaning of Rule 15 of the AIM Rules for Companies.

#### SPECIAL RESOLUTIONS

##### 2. CANCELLATION

That, in accordance with Rule 41 of the AIM Rules, the Cancellation of the admission to trading on AIM of the Ordinary Shares of 2 pence each in the capital of the Company be and is hereby approved and the Directors be authorised to take all action reasonable or necessary to effect such Cancellation.

##### 3. RE-REGISTRATION AND ADOPTION OF NEW ARTICLES

That, subject to and conditional upon Resolution 2 proposed at the General Meeting being approved at the General Meeting and the Cancellation of the admission of the Ordinary Shares of 2 pence each in the capital of the Company to trading on AIM becoming effective:

- (a) the Company be re-registered as a private limited company under the Companies Act 2006 with the name of Applied Graphene Materials Limited as soon as reasonably practicable; and
- (b) upon Re-registration, the regulations contained in the document submitted to the meeting and for the purposes of identification initialled by or on behalf of the chairman be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

By order of the Board

**David Blain**  
27 February 2023

**Registered office:**  
The Wilton Centre,  
Wilton, Redcar,  
Cleveland,  
TS10 4RF

**Registered in England and Wales No. 8708426**

## NOTES

### Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at close of business on 13 March 2023 (or, if the meeting is adjourned, close of business on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

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.

### Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 and 4 below and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting. If a shareholder has appointed a proxy and attends the meeting in person, such proxy appointment will automatically be terminated.

If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. 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 meeting.

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrar, Link Group, PXS1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL and in the case of a member which is a corporation, the revocation notice must be executed in accordance with note 5 below. 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 and must be received by the Registrars not less than 48 hours before the time fixed for the holding of the meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day. 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.

**Completion of the Form of Proxy or appointment or a proxy through CREST will not prevent a member from attending and voting in person.**

**Any member or his proxy attending the General Meeting has the right to ask any question at the General Meeting relating to the business of the General Meeting.**

3. You will not receive a hard Form of Proxy. An online Form of Proxy can be used at [www.signalshares.com](http://www.signalshares.com). When appointing more than one proxy, complete a separate Form of Proxy in relation to each appointment. Hard copy Forms of Proxy may be obtained by contacting the Registrar on 03716 640391. State clearly on each Form of Proxy the number of shares in relation to which the proxy is appointed.

Shareholders may request a hard copy Form of Proxy direct from the Registrar, Link Group on 0371 664 0391 for use at the General Meeting. To be valid, a hard copy Form of Proxy must be received by post or (during normal business hours only) by hand at the offices of the Registrar, Link Group, PXS1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL no later than 11:00 a.m. on 13 March 2023 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

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

4. CREST Members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST 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 instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & International Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by The Registrar, Link Group, PXS1, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL (ID RA10) no later than 11:00 a.m. on 13 March 2023 or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). 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 Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST Members and, where applicable, their CREST Sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST

Member concerned to take (or, if the CREST Member is a CREST personal member or CREST Sponsored Member or has appointed a voting service provider(s), to procure that his or her CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

**Corporate representatives**

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

A corporation's Form of Proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.

**Share capital**

6. As at the date of this Document, the Company's issued share capital comprised 64,338,438 ordinary shares of 2 pence each. Each Ordinary Share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this Document is 64,338,438.