

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt about the contents of this document, or as to what action you should take, it is recommended that you seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).**

If you have sold or transferred all of your shares in OnTheMarket plc please forward this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

---



*(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 10887621)*

## **Recommended proposals for the Cancellation of the Share Premium Account**

**and**

## **Notice of General Meeting**

---

**Notice of a General Meeting of the Company to be held at 14:00 on 26 May 2022 at 33 St James's Square, London SW1Y 4JS is set out in Part IV of this document.**

Shareholders will not receive a hard copy form of proxy for the General Meeting in the post. Instead, you will be able to vote electronically 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, which is detailed on your share certificate or available from our Registrar, Link Group (previously called Capita).

Voting by proxy prior to the General Meeting does not affect your right to attend the General Meeting and vote in person should you so wish. Proxy votes must be received no **later than 14:00 on Tuesday 24 May 2022**.

If you need help with voting online, please contact our Registrar, Link Group, on Tel: 0371 664 0391 or, if calling from overseas, please call +44 371 664 0300, or by emailing at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Calls are charged at the standard geographical 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.

## **CONTENTS**

PART I: EXPECTED TIMETABLE	3
PART II: LETTER FROM THE CHAIR	4
PART III: DEFINITIONS	7
PART IV: NOTICE OF GENERAL MEETING	8

**PART I**  
**EXPECTED TIMETABLE**

Latest time and date for receipt of Forms of Proxy or CREST Proxy Instruction	14:00 on 24 May 2022
Date of General Meeting	14:00 on 26 May 2022
Expected date for final hearing and confirmation of the Cancellation by the Court	21 June 2022
Expected date that the Cancellation becomes effective	7 July 2022

**Notes:**

The expected dates for the confirmation of the Cancellation by the Court and the Cancellation becoming effective are based on provisional dates that have been obtained for the required Court hearings of the Company's application. These provisional hearing dates are subject to change and dependent on the Court's timetable.

The timetable assumes that there is no adjournment of the General Meeting. If there is an adjournment, all subsequent dates are likely to be later than those shown.

## PART II

### LETTER FROM THE CHAIR



*Registered in England and Wales with company number 10887621*

#### *Directors*

Christopher Bell (*Independent Non-Executive Chairman*)

Jason Tebb (*Chief Executive Officer*)

Clive Beattie (*Chief Financial Officer*)

Helen Whiteley (*Chief Commercial Officer*)

Ian Francis (*Independent Non-Executive Director*)

Rupert Sebag-Montefiore (*Independent Non-Executive Director*)

OnTheMarket plc

*Registered office:*

PO Box 450

155-157 High Street

Aldershot

England

GU11 9FZ

Dear Shareholder

#### **1. General Meeting**

I am writing to advise you that a general meeting of the Company (“General Meeting”) will be held at 33 St James’s Square, London SW1Y 4JS at 14:00 on 26 May 2022.

Full details of the General Meeting and the resolution to be put to Shareholders (the “Resolution”) are set out in the enclosed Notice of General Meeting.

#### **2. Resolution**

We are asking Shareholders to review and, if thought fit, approve the Resolution, which is proposed as a special resolution.

The Resolution seeks approval for the Company to complete the proposed cancellation of the Company’s Share Premium Account (the “Cancellation”). The purpose of this document is to provide you with information about the Cancellation, to explain why the Board considers the Resolution to be in the best interests of the Company and its Shareholders as a whole and why it unanimously recommends that you vote in favour of the Resolution which shall be proposed at the General Meeting.

Shareholders should note that, unless the Resolution is approved at the General Meeting (and the Court subsequently confirms the Cancellation), the Cancellation will not take place. Section 8 of this letter sets out the action Shareholders are asked to take, and section 9 contains the unanimous recommendation of the Directors to vote in favour of the Resolution.

#### **3. Background to, and reasons for, the Cancellation**

The Cancellation, subject to the passing of the Resolution and if approved by the Court and when it becomes effective, will have the effect of creating distributable reserves and, subject to the financial performance of the Company and the CA 2006, provide the Company with the ability to make distributions of profits by way of dividend as permitted by the CA 2006. The Cancellation is expected to create distributable reserves in excess of £40m (subject to any special reserve for creditors as referred to below and assuming that there is no change to the Company’s accumulated retained earnings before the Cancellation becomes effective).

#### **4. Cancellation**

As at 31 January 2021, the Company had accumulated retained earnings on its profit and loss account of £1.6m. The Directors consider this to be insufficient to commence a progressive dividend policy in the foreseeable future.

Under the CA 2006, a public company may reduce its capital and Share Premium Account if authorised to do so by its articles of association, providing it obtains the approval of its shareholders by special resolution in general meeting and provided that such Cancellation is confirmed by the Court. The reserve arising on a Cancellation may, subject to any creditor protection required by the Court, be utilised to create distributable reserves available for the payment of dividends, the purchase by a company of its own shares and for other corporate purposes.

The CA 2006 requires that, where a company issues shares at a premium to the nominal value of those shares, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums must be transferred to the company's share premium account. A share premium account can only be used in very limited circumstances. The proposed Cancellation involves a provision relating to the cancellation of the entire amount standing to the credit of the Company's Share Premium Account.

The Cancellation is conditional on:

- (i) the passing of the Resolution to be proposed at the General Meeting;
- (ii) the Cancellation being approved by the Court; and
- (iii) the Court Order being registered by the Registrar of Companies.

Accordingly, to facilitate the payment of dividends, the Company proposes, subject to approval by Shareholders, to apply to the Court to confirm the cancellation of the amount standing to the credit of the Company's Share Premium Account as at the date of the Cancellation, expected to be 7 July 2022, and to credit the reserves arising to the profit and loss account.

#### **5. Shareholder Approval**

The approval of Shareholders is being sought to carry out the Cancellation pursuant to the Resolution set out in the Notice of General Meeting. The Resolution will be proposed as a special resolution and requires a majority in favour of at least 75 per cent. of those Shareholders voting in person or by proxy at the General Meeting in order to be passed.

#### **6. Court Approval**

In addition to the approval by the Shareholders, the Cancellation requires the confirmation of the Court. Accordingly, following approval of the proposed Cancellation by Shareholders, an application will be made to the Court in order to confirm and approve the Cancellation.

In providing such approval, the Court may require protection for the creditors (including contingent creditors) of the Company whose debts remain outstanding on the relevant date. Any such creditor protection may include giving an undertaking to the Court to create a special non-distributable reserve, with any such reserve to remain until the relevant creditors of the Company (who are not protected at that date by any other means) have been otherwise protected or the relevant liability discharged.

The Board has undertaken a thorough and extensive review of the Company's liabilities (including contingent liabilities) and considers that the Company will be able to satisfy the Court that, as at the date on which the proposed Cancellation becomes effective, the Company's creditors will be sufficiently protected.

It is anticipated that the Court Hearing to confirm the proposed Cancellation will take place on or around 21 June 2022 and that the Cancellation would become effective on 7 July 2022, following the necessary registration of the Court Order at Companies House.

The Board reserves the right to abandon or to discontinue (in whole or in part) the application to the Court if the Board considers that the terms on which the proposed Cancellation would be (or would be likely to

be) confirmed by the Court would not be in the best interests of the Company and/or the Shareholders as a whole.

In seeking approval of the Cancellation, the Company is not indicating any commitment, and has no current intention, to declare dividends or to purchase its own shares, but considers that the Cancellation would position it more favourably to do so, as applicable, in the future.

The proposed Cancellation itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. Following implementation of the Cancellation, there will be no change to the number of Ordinary Shares in issue or the rights attaching to the Ordinary Shares.

## **7. Voting**

The Board has decided that the fairest way for the General Meeting to proceed is by way of poll. This means that every Shareholder present in person or by proxy has one vote for every ordinary share held. Conducting a meeting by way of a poll ensures that all Shareholders are given the opportunity to participate in the decision making of the Company and have their votes recorded despite not being able to attend the meeting in person.

## **8. Actions to be taken**

Please submit your vote electronically 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, which is detailed on your share certificate or available from our Registrar, Link Group (previously called Capita).

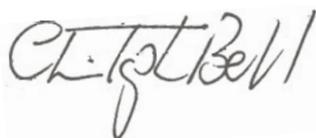
Voting by proxy prior to the General Meeting does not affect your right to attend the General Meeting and vote in person should you so wish. Proxy votes must be received no **later than 14:00 on Tuesday 24 May 2022**.

If you require a hard copy Form of Proxy or help with voting online, please contact our Registrar, Link Group, on Tel: 0371 664 0391 or, if calling from overseas, please call +44 371 664 0300, or by emailing at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Calls are charged at the standard geographical 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.

## **9. Recommendation**

The Board considers that the Resolution is in the best interests of the Company and Shareholders as a whole and is likely to promote the success of the Company. Accordingly, the Board recommends that you vote in favour of the Resolutions as they have agreed to do in respect of their own shareholdings, which in aggregate amount to 177,165 Ordinary Shares, representing approximately 0.2 per cent. of the issued share capital of the Company.

Yours faithfully



**Christopher Bell**

*Independent Non-Executive Chairman*

**PART III**  
**DEFINITIONS**

<b>Board or Directors</b>	the board of directors of the Company
<b>CA 2006</b>	the Companies Act 2006
<b>Cancellation</b>	the proposed cancellation of the Company's Share Premium Account
<b>Company</b>	OnTheMarket plc
<b>Court</b>	the High Court of England and Wales
<b>Form of Proxy</b>	the form of proxy for use at the General Meeting
<b>General Meeting</b>	the general meeting of the Company to be held at 14:00 on 24 May 2022
<b>Ordinary Shares</b>	fully paid ordinary shares of £0.002 each in the capital of the Company
<b>Resolution</b>	the special resolution to approve the Cancellation to be proposed at the General Meeting
<b>Shareholders</b>	holders of Ordinary Shares
<b>Company's Share Premium Account</b>	the Share Premium Account of the Company

**PART IV**  
**NOTICE OF GENERAL MEETING**

**Company number: 10887621**

**OnTheMarket plc**

**NOTICE OF GENERAL MEETING**

**NOTICE IS GIVEN** that a general meeting of OnTheMarket plc (company number 10887621) (the Company) will be held at 14:00 on 26 May 2022 at 33 St James's Square, London SW1Y 4JS for the following purpose:

**SPECIAL BUSINESS**

1. Subject to and conditional upon the approval of the court, to approve a proposal by way of special resolution that the amount standing to the credit of the share premium account of the Company as at the date the cancellation becomes effective, expected to be 7 July 2022, be cancelled.

BY ORDER OF THE BOARD



**Richard Almond**

*Secretary*

Date: 3 May 2022

*Registered office:*

PO BOX 450, 155-157 High Street, Aldershot, England, GU11 9FZ

**NOTES**

*Entitlement to attend and vote*

1. A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of their rights to attend, speak and vote at that meeting on their behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company.
  - (a) In order to be valid, the proxy instruction (together with any power of attorney or other authority under which it is executed or a duly certified copy of any such power or authority) must be returned by one of the following methods, in each case so as to arrive no later than 14:00 on 24 May 2022 or, in the case of an adjourned meeting, not less than 48 hours before the time appointed for holding such adjourned meeting (ignoring for these purposes non-working days) or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used:
    - I. via [www.signalshares.com](http://www.signalshares.com) by logging on and selecting the 'Proxy Voting' link. If you have not previously registered for electronic communications, you will first be asked to register as a new user, for which you will require your investor code (IVC) (which can be found on your share certificate), family name and postcode (if resident in the UK); or
    - II. in hard copy form by post, by courier or by hand to the Company's registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.
  - (b) In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by **14:00 on 24 May 2022**.

2. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) of that meeting, by utilising the procedures described in the CREST Manual. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's registrars, Link Group (whose CREST ID is RA10) by the latest time for receipt of proxy appointments specified in note 1 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 Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed. 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.
3. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Registrars prior to the commencement of the meeting.
4. The right to vote at the meeting shall be determined by reference to the register of members of the Company. Only those persons whose names are entered on the register of members of the Company at close of business on 24 May 2022 shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

## **EXPLANATORY NOTES TO THE NOTICE OF GENERAL MEETING**

Dear Shareholders

### **Resolution 1: To approve the cancellation of the share premium account**

The accounting reserves on the Company's balance sheet currently include over £40m held in a share premium account. The share premium account is non-distributable as a matter of law – that is to say, the Directors cannot currently seek to use the share premium account to fund dividends or other distributions to Shareholders.

As part of its long-term financial planning, the Company is proposing to reorganise its balance sheet and reserves through the cancellation of its share premium account. The share premium account is a non-distributable reserve and accordingly, the purposes for which the Company can use this are extremely restricted. The share premium cancellation would create sufficient distributable reserves to provide the Board with greater flexibility with regard to how it manages its capital resources in such matters as, should the Board determine it appropriate to do so in the future, making dividend distributions to Shareholders or commencing a share buy-back programme, subject to the relevant approval of Shareholders.

The proposed share premium cancellation itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company. Following the implementation of the proposed share premium cancellation there will be no change to the number of Ordinary Shares of the Company in issue, nor to the rights attaching to the same.

The proposed share premium cancellation is conditional upon the passing by Shareholders of the special resolution numbered 1 set out in this Notice of General Meeting, in addition to approval being obtained from the High Court of Justice of England and Wales.

