

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank, solicitor, accountant or other appropriate independent professional adviser.

If you have sold or otherwise transferred all of your shares in Iconic Labs plc ("**Company**"), please pass this document, together with the accompanying documents, 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.

Iconic Labs plc
Registered in England and Wales No. 10197256
27-28 Eastcastle Street
London
W1W 8DH

2nd December 2019

To ordinary shareholders

Dear Shareholder

Annual General Meeting 2019

I am pleased to send you details of our 2019 annual general meeting ("**AGM**"), which will be held at the office of DLA Piper UK LLP, 1 St Paul's Place, Sheffield S1 2JX on 30th December 2019 at 11.00 am. I hope that you will be able to attend.

The formal notice of the AGM, which is set out on pages 4 to 7 of this document ("**Notice**"), sets out the business to be considered at the AGM. The purpose of this letter is to provide you with further details about those items of business.

This year, shareholders will be asked to approve 12 resolutions. Resolutions 1 to 10 are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than 50 per cent of the votes cast must be in favour of the resolution.

Resolutions 11 and 12 are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least 75 per cent of the votes cast must be in favour of the resolution.

Resolution 1: Annual report and accounts

The directors must present the Company's annual accounts and the strategic, directors' and auditors' reports to shareholders at a general meeting. Those to be presented at the AGM are in respect of the financial period ended 30th June 2019, and are called the Annual Report 2019.

The Annual Report 2019 is available on the Company's website (www.iconiclabs.co.uk). If you have elected to receive correspondence in hard copy, then a copy of the Annual Report 2019 will accompany this document.

Resolution 2: Directors' remuneration report

The Company must seek shareholder approval at each AGM for the part of its directors' remuneration report which describes how the Company's directors' remuneration policy has been implemented during the previous financial year.

The relevant part of the directors' remuneration report is set out on pages 18 to 23 of the Annual Report 2019.

Resolution 3: Directors' remuneration policy

In addition to the annual vote on the implementation of its remuneration policy, the Company is required to seek shareholder approval for the directors' remuneration policy itself at least once every three years. The directors' remuneration policy is set out on pages 18 to 23 of the Annual Report 2019.

Resolutions 4 to 7: Reappointment of directors

Resolutions 4 to 7 propose the reappointment of David Sefton, John Quinlan, Liam Harrington and Sam Asante as directors. Under the Company's articles of association, any new director appointed by the board must retire and seek reappointment at the next AGM following their appointment. This gives shareholders the opportunity to confirm that appointment.

Biographies of each of these directors are set out on page 12 of the Annual Report 2019, together with a full explanation of the reasons why the board believes these directors should be reappointed to the board.

Will Muirhead and Richard Thompson stepped down as directors of the Company on 28th November 2019.

Resolutions 8 and 9: Reappointment and remuneration of auditors

The Company is required to appoint auditors at each general meeting at which its annual accounts and reports are presented to shareholders. The Audit Committee, which has evaluated the effectiveness and independence of the external auditors, has recommended to the board that Crowe UK LLP be proposed for re appointment. Therefore, resolution 8 proposes the reappointment of Crowe UK LLP as auditors (to hold office until the next such meeting).

In accordance with normal practice, resolution 9 authorises the Audit Committee to determine the auditors' remuneration.

Resolution 10: Authority to allot shares

Generally, the directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 10 is in two parts.

In line with guidance issued by the Investment Association, if passed, part 10.1 of resolution 10 will authorise the directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £1,364,274.92. This amount represents approximately one third of the issued ordinary share capital of the Company as at 29th November 2019, being the last practicable date before the publication of this document.

In addition, if passed, part 10.2 of resolution 10 will authorise the directors to allot ordinary shares in the Company (and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company) in connection with a rights issue only up to a further aggregate nominal amount of £1,364,274.92. This amount represents approximately one third of the issued ordinary share capital of the Company as at 29th November 2019, being the last practicable date before the publication of this document.

If given, these authorities will expire at the conclusion of the Company's next AGM or on the date which is 15 months after the date of the AGM (whichever is the earlier). It is the directors' intention to renew the allotment authority each year.

As at the date of this document, no ordinary shares are held by the Company in treasury.

The directors have no current intention to exercise either of the authorities sought under resolution 10. However, the directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by institutional shareholder guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise.

Resolution 11: Disapplication of pre-emption rights

Generally, if the directors wish to allot new shares or other equity securities (within the meaning of section 560 of the Act) for cash, then under the Act they must first offer such shares or securities to ordinary shareholders in proportion to their existing holdings. These statutory pre-emption rights may be disapplied by shareholders.

Resolution 11, which will be proposed as a special resolution, will enable the directors to allot equity securities for cash up to a maximum aggregate nominal amount of £204,641.24 without having to comply with statutory pre-emption rights.

The powers proposed under resolution 11 will be limited to allotments:

- (a) up to an aggregate nominal amount of (i) £1,364,274.92 in connection with a rights issue or (ii) £1,364,274.92 in connection with an open offer or other pre-emptive offer, in each case to ordinary shareholders and to holders of other equity securities (if required by the rights of those securities or the directors otherwise consider necessary), but (in accordance with normal practice) subject to such exclusions or other arrangements, such as for fractional entitlements and overseas shareholders, as the directors consider necessary; and
- (b) in any other case, up to an aggregate nominal amount of £204,641.24 (which represents approximately five per cent of the issued ordinary share capital of the Company as at 29th November 2019, being the last practicable date before the publication of this document).

If given, this power will expire at the conclusion of the Company's next AGM or on the date which is 15 months after the date of the AGM (whichever is the earlier). It is the directors' intention to renew this power each year.

Resolution 12: Purchase by the Company of its own shares

Resolution 12, which will be proposed as a special resolution, if passed, will allow the Company to purchase up to 163,712,990 ordinary shares in the market (which represents approximately 10 per cent of the issued ordinary share capital of the Company as at 29th November 2019, being the last practicable date before the publication of this document). The minimum and maximum prices for such a purchase are set out in the resolution. If given, this authority will expire at the conclusion of the Company's next AGM or on the date which is 15 months after the date of the AGM (whichever is the earlier). It is the directors' intention to renew this authority each year.

The directors have no current intention to exercise the authority sought under resolution 12 to make market purchases, but consider the authority desirable to provide maximum flexibility in the management of the Company's capital base. If passed, the directors will only exercise this authority if they believe that to do so would be a prudent use of the Company's cash resources and would result in an increase in earnings per share and would be in the best interests of the Company and of its shareholders generally.

The directors intend to cancel any shares purchased under this authority. No shares will be held as treasury shares.

Recommendation

The directors consider that all the resolutions set out in the Notice are in the best interests of the Company and its shareholders as a whole. Those directors who hold shares in the Company will be voting in favour of all of the resolutions, and unanimously recommend that you do so as well.

Action to be taken

If you would like to vote on the resolutions set out in the Notice but cannot come to the AGM, please appoint a proxy or proxies by completing the Proxy Form sent to you with this document, and returning it to our registrars.

Your proxy appointment must be received by 11.00 am on 24th December 2019. Further details relating to voting by proxy are set out in the notes to the Notice on pages 4 to 7 of this document and in the Proxy Form.

Yours sincerely

David Sefton
Executive Chairman

ICONIC LABS PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2019 annual general meeting of Iconic Labs plc ("**Company**") will be held at the office of DLA Piper UK LLP, 1 St Paul's Place, Sheffield S1 2JX on 30th December 2019 at 11.00 am for the purposes of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary resolutions and special resolutions as appropriate.

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive the Company's annual accounts and the strategic, directors' and auditors' reports for the period ended 30th June 2019.
2. To approve the directors' remuneration report (other than the part containing the directors' remuneration policy) for the period ended 30th June 2019.
3. To approve the directors' remuneration policy contained in the directors' remuneration report.
4. To reappoint David Sefton, who has been appointed by the board since the last annual general meeting, as a director of the Company.
5. To reappoint John Quinlan, who has been appointed by the board since the last annual general meeting, as a director of the Company.
6. To reappoint Liam Harrington, who has been appointed by the board since the last annual general meeting, as a director of the Company.
7. To reappoint Sam Asante, who has been appointed by the board since the last annual general meeting, as a director of the Company.
8. To reappoint Crowe UK LLP as auditors of the Company.
9. To authorise the Audit Committee to determine the remuneration of the auditors.
10. **THAT**, pursuant to section 551 of the Companies Act 2006 ("**Act**"), the directors be generally and unconditionally authorised to allot Relevant Securities:
 - 10.1 up to an aggregate nominal amount of £1,364,274.92; and
 - 10.2 comprising equity securities (as defined in section 560(1) of the Act) up to a further aggregate nominal amount of £1,364,274.92 in connection with an offer by way of a rights issue:
 - (a) to holders of Ordinary Shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of Ordinary Shares held by them; and
 - (b) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange,

provided that these authorities shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the date of the passing of this resolution (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this resolution, "**Relevant Securities**" means Ordinary Shares in the Company or rights to subscribe for or to convert any security into Ordinary Shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any

security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in addition to all existing authorities under section 551 of the Act.

To consider and, if thought fit, to pass the following resolutions as special resolutions:

11. **THAT**, subject to the passing of resolution 10 and pursuant to section 570 of the Act, the directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authorities granted by resolution 10 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

11.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise, but, in the case of an allotment pursuant to the authority granted by paragraph 10.2 of resolution 10, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue):

(c) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

(d) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

11.2 otherwise than pursuant to paragraph 11.1 of this resolution, up to an aggregate nominal amount of £204,641.24,

and this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the date of the passing of this resolution (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

This power is in addition to all existing powers under sections 570 of the Act.

12. **THAT**, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares, provided that:

12.1 the maximum aggregate number of Ordinary Shares which may be purchased is 163,712,990;

12.2 the minimum price (excluding expenses) which may be paid for an Ordinary Share is £0.0025;

12.3 the maximum price (excluding expenses) which may be paid for an Ordinary Share is the higher of:

12.3.1 an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made; and

12.3.2 an amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out,

and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on the date which is 15 months after the date of the passing of this resolution (whichever is the earlier), save that the Company may enter into a contract to purchase Ordinary Shares before

this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Ordinary Shares pursuant to any such contract as if this authority had not expired.

By order of the board

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David Sefton
Executive Chairman

Dated: 2nd December 2019

Registered office
27-28 Eastcastle Street
London
W1W 8DH

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 24th December 2019 (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.

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.
3. 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.
4. A proxy may only be appointed in accordance with the procedures set out in notes 6 and 7 below and the notes to the form of proxy.
5. The appointment of a proxy will not preclude a Shareholder from attending and voting in person at the meeting.
6. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 01903 706150 or the form of proxy may be photocopied. State clearly on each form of proxy the number of shares in relation to which the proxy is appointed.
7. To be valid, a form of proxy must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, SLC Registrars Limited, at Elder House, St Georges Business Park, Brookelands Road, Weybridge KT13 0TS no later than 11.00 am on 24th December 2019 (or, if the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

Corporate representatives

8. 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.

Documents available for inspection

9. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends.
 - 9.2 Copies of the service contracts of the executive directors.
 - 9.3 Copies of the letters of appointment of the non executive directors.

Website providing information about the meeting

10. The information required by section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders, is available at www.iconiclabs.co.uk.