

Project Sunray

Proof: 7a

12 June 2020

Clean

Job Number: 17204

The logo for Linkway, featuring the word "Linkway" in a bold, sans-serif font. The letter "i" in "Link" is a blue dot, and the letter "k" in "Link" is a blue outline.

Tel: (020) 7566 1200 Fax: (020) 8986 2978

E-mail: team@linkwayccp.com

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action to take, you are recommended to seek your own independent professional advice immediately from your stockbroker, solicitor, accountant or other appropriately independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction. If you have sold or transferred all of your registered holding of Existing Ordinary Shares, please forward this document, but not the accompanying Form of Proxy, as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other party through or to whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, these documents should not be forwarded or transmitted into any jurisdiction where such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares, you are advised to consult the bank, stockbroker or other party through or to whom the sale or transfer was effected.

This document does not constitute an offer to purchase, acquire or subscribe for, or the solicitation of an offer to purchase, acquire or subscribe for, the Placing Shares or an invitation to purchase, acquire or subscribe for the Placing Shares.

This document is not a prospectus for the purposes of the Prospectus Regulation Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

Application has been made for the First Placing Shares, and application will be made for the Second Placing Shares, to be admitted to trading on AIM. It is expected that First Admission will become effective and dealings in the First Placing Shares will commence at 8.00 a.m. on 17 June 2020. Subject to certain conditions being satisfied, including the passing of the Resolutions at the General Meeting, it is anticipated that Second Admission will become effective and that dealings in the Second Placing Shares will commence at 8.00 a.m. on 1 July 2020.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **This document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document. The rules applicable to AIM are less demanding than those applicable to the Official List. It is emphasised that no application is being made for admission of the Placing Shares to the Official List. The Placing Shares will not be dealt on any other recognised investment exchange and no other such application will be made.**

ANGLING DIRECT PLC

(a public limited company incorporated in England and Wales with registered number 05151321)

Proposed Placing of 11,000,000 new Ordinary Shares of 1 penny per share and Notice of General Meeting

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out on pages 7 to 12 of this document. That letter recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. The Directors accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. 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 this document makes no omission likely to affect the import of such information.

A notice convening a General Meeting of the Company, to be held at 10.30 a.m. on 30 June 2020 at The Homestead, Thurgarton Road, Aldborough, Norfolk NR11 7NY, is set out at the end of this document.

The action to be taken by Shareholders in respect of the General Meeting is set out on page 11 of this document. If you hold your Existing Ordinary Shares in certificated form, since, based on the current UK Government guidance on social distancing and public gatherings, Shareholders will not be permitted to attend the General Meeting, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post, email, or during normal business hours only, by hand, at Share Registrars Limited The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR by no later than 10.30 a.m. on Friday, 26 June 2020 (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).

If you hold your Existing Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent, Share Registrars Limited, by no later than 10.30 a.m. on Friday, 26 June 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The Placing Shares described in this document have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States. The Placing Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the Placing Shares in the United States. The Placing Shares have not been approved

or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Placing Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, offers, sales or transfers of the Placing Shares in or into the United States for a period of time following completion of the Placing by a person (whether or not participating in the Placing) may violate the registration requirement of the Securities Act.

Furthermore, the Placing Shares have not been and will not be registered under the applicable laws of any of Australia, Canada, Japan, New Zealand or the Republic of South Africa and, consequently, may not be offered or sold to any national, resident or citizen thereof.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Copies of this document will be available during normal business hours, between 09:00 and 17:00, at the office of Angling Direct plc at 2D Wendover Road, Rackheath Industrial Estate, Norwich, Norfolk, NR13 6LH and on the Company's website www.anglingdirect.co.uk/corporate.

Nplus1 Singer Advisory LLP is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and no-one else in connection with the Placing and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or the contents of this document or any other matter referred to herein. No representation or warranty, express or implied, is made by N+1 Singer as to any of the contents of this document, and N+1 Singer has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which N+1 Singer may have under FSMA or the regulatory regime established thereunder.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

This document contains statements about the Company that are or may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the operations of Angling Direct plc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or the FSMA), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Covid-19 virus

Given the rapidly changing global situation, and the current uncertainty over the duration of the disruption caused by the Covid-19 pandemic, it is impossible to predict, with any certainty, the continuing impact on the Company's business. As such, this document should be considered against this backdrop and Shareholders and potential investors should understand that there is a high level of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Placing.

TABLE OF CONTENTS

	Page
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	4
ISSUE STATISTICS.....	5
DIRECTORS, COMPANY SECRETARY AND ADVISERS.....	6
LETTER FROM THE CHAIRMAN.....	7
DEFINITIONS.....	13
NOTICE OF GENERAL MEETING.....	16

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing and commencement of the Bookbuild	11 June 2020
Announcement of the results of the Bookbuild	11 June 2020
Date of publication of this document and Form of Proxy	12 June 2020
Admission and commencement of dealings in the First Placing Shares on AIM	8.00 a.m. on 17 June 2020
First Placing Shares credited to CREST members' accounts in uncertificated form	on 17 June 2020
Despatch of definitive share certificates for First Placing Shares in certificated form	no later than 2 July 2020
Latest time and date for receipt of Forms of Proxy	10.30 a.m. on 26 June 2020
General Meeting	10.30 a.m. on 30 June 2020
Admission and commencement of dealings in the Second Placing Shares on AIM	8.00 a.m. on 1 July 2020
Second Placing Shares credited to CREST members' accounts in uncertificated form	on 1 July 2020
Despatch of definitive share certificates for Second Placing Shares in certificated form	no later than 16 July 2020

Notes

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. The admission and commencement of dealings in the Second Placing Shares on AIM are conditional on, *inter alia*, the passing of the Resolutions.

ISSUE STATISTICS

Placing Price (per share)	50.0 pence
Number of Existing Ordinary Shares	64,621,993
Number of First Placing Shares	6,462,199
Number of Second Placing Shares	4,537,801
Total number of Placing Shares	11,000,000
Enlarged Share Capital immediately following the First Admission ⁽¹⁾	71,084,192
Enlarged Share Capital immediately following the Second Admission ⁽²⁾	75,621,993
Percentage of Enlarged Share Capital represented by the First Placing Shares following the First Admission ^{(1),(3)}	9.1 per cent.
Percentage of Enlarged Share Capital represented by the Placing Shares following the Second Admission ^{(2),(4)}	14.5 per cent.
Gross proceeds of the First Placing ⁽³⁾	£3.23 million
Gross proceeds of the Second Placing ⁽⁴⁾	£2.27 million
Total gross proceeds of the Placing ^{(3),(4)}	£5.50 million
Market capitalisation of the Company immediately following completion of the First Placing at the Placing Price ⁽³⁾	£35.54 million
Market capitalisation of the Company immediately following completion of the Second Placing at the Placing Price ⁽⁴⁾	£37.81 million
ISIN	GB00BF1XGQ00
SEDOL	BF1XGQ0

(1) Assuming no Ordinary Shares are issued between the date of this document and First Admission other than the First Placing Shares.

(2) Assuming no Ordinary Shares are issued between the date of this document and Second Admission other than the other than the First Placing Shares and Second Placing Shares.

(3) Assuming completion of the First Placing at the Placing Price.

(4) Assuming completion of the Second Placing at the Placing Price.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Martyn Page – <i>Executive Chairman</i> Andy Torrance – <i>Chief Executive Officer</i> Steven Crowe – <i>Chief Financial Officer</i> Darren Bailey – <i>Non-Executive Director</i> Paul Davies – <i>Non-Executive Director</i> Dilys Maltby – <i>Non-Executive Director</i>
Registered Office	2D Wendover Road Rackheath Industrial Estate Norwich Norfolk NR13 6LH
Company Secretary	Shona Wright
Nominated Adviser & Broker	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
Solicitors to the Company	Leathes Prior 74 The Close Norwich NR1 4DR Marriott Harrison LLP 11 Staple Inn London WC1V 7QH
Solicitors to N+1 Singer	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

LETTER FROM THE CHAIRMAN

ANGLING DIRECT PLC

(a public limited company incorporated in England and Wales with registered number 05151321)

Directors:

Martyn Page – *Executive Chairman*
Andy Torrance – *Chief Executive Officer*
Steven Crowe – *Chief Financial Officer*
Darren Bailey – *Non-Executive Director*
Paul Davies – *Non-Executive Director*
Dilys Maltby – *Non-Executive Director*

Registered Office:
2D Wendover Road
Rackheath Industrial Park
Norwich
Norfolk NR13 6LH

12 June 2020

To holders of Ordinary Shares

Dear Shareholder,

Proposed Placing of 11,000,000 Placing Shares at 50.0 pence per new Ordinary Share and Notice of General Meeting

1. INTRODUCTION

The Company announced on 11 June 2020 a proposed issue of 11,000,000 new Ordinary Shares at a placing price of 50.0 pence per Placing Share, to raise proceeds of £5.50 million (before expenses). The Placing Price of 50.0 pence represents a discount of 15.3 per cent. to the closing mid-market price of an Ordinary Share of 59.0 pence on 10 June 2020, being the last practicable trading day prior to the announcement of the Placing.

The Board intends to use the net proceeds of the Placing to strengthen the Company's balance sheet to provide further protection, if required, against the uncertainty created by Covid-19 and provide additional funding for prompt payment of suppliers to secure product, given the high level of customer demand anticipated over the coming weeks as lock-down restrictions are eased with retail stores able to re-open from 15 June 2020 (which coincides with the start of the coarse fishing season). At a time when greater certainty exists, the Board anticipates that the Group will allocate any surplus funds from the Placing to growth opportunities. Further information on the Company's use of proceeds is set out below.

The Placing is being conducted in two tranches. The First Placing Shares will be allotted and issued pursuant to the First Placing and are expected to be admitted to trading on AIM on or around 17 June 2020, raising gross proceeds of approximately £3.23 million (before expenses) for the Company. The Second Placing Shares will be allotted and issued pursuant to the Second Placing and are expected to be admitted to trading on AIM on or around 1 July 2020, raising gross proceeds of approximately £2.27 million (before expenses) for the Company. The First Admission and the Second Admission are each subject to all relevant conditions being satisfied (or, if applicable, waived).

The Placing is conditional, inter alia, on the Placing Agreement between the Company and N+1 Singer becoming unconditional and not being terminated (in accordance with its terms) (although if the Placing Agreement is terminated after the First Admission, the First Admission will be unaffected). The First Placing is conditional, inter alia, upon the First Admission becoming effective, and the Second Placing is conditional, inter alia, upon the First Admission and the Second Admission becoming effective and the passing of the Resolutions at the General Meeting which, in turn, will give the Directors the required authority and power to allot the Second Placing Shares without the application of statutory pre-emption rights. The First Placing is not conditional on the approval of Shareholders at the General Meeting.

2. BACKGROUND TO AND REASONS FOR THE PLACING AND THE COMPANY'S USE OF PROCEEDS

Background to and reasons for the Placing

The financial year ended 31 January 2020 ("FY20") was a period of significant growth for the Group, with reported revenues increasing by 27 per cent. to £53.2 million (2019: £42.0 million). Sales through the Group's online channels increased 14 per cent. to £25.3 million (2019: £22.3 million). Store sales over the

same period increased 42 per cent. to £27.9 million (2019: £19.7 million), including like-for-like growth of 12 per cent. The period post year-end to 23 March 2020 saw a continuation of these trends, with sales in February and the first three weeks of March growing by 23 per cent. and 19 per cent. respectively compared with the corresponding periods in 2019.

In light of the growing spread of Covid-19, the Group announced on 24 March 2020 the closure of all of its stores forthwith in order to comply with UK Government policy. On 6 April 2020, the Company announced that the Directors had taken a number of immediate and decisive actions to preserve capital and maintain cash flow. Actions taken included:

- the introduction of flexible working practices to protect staff and colleague welfare;
- the furloughing of staff, which has delivered a monthly cost saving of approximately £300,000 during the period that stores have been closed;
- the deferral of most capital expenditure, including planned store openings;
- the rebalancing of stock between the stores and the distribution centre;
- a temporary pause on restocking non-core and slower selling stock lines;
- the implementation of a creditor management programme;
- the agreement with NatWest of a £2.5 million short term credit facility expiring on 30 September 2020; and
- the evaluation and utilisation, as appropriate, of UK Government support packages.

The Group's distribution centre serving online customers has remained open and continued to operate efficiently throughout the current financial year to date. During the period when the Group's stores have been closed, the Group's online operations have traded very strongly with sales well ahead of both the prior year and the Board's expectations, reflecting the Group's market leading position, diversified offering and strong stock levels. In its announcement of audited FY20 results on 3 June 2020, the Company reported that "online sales in April 2020 were 24 per cent. ahead of the prior year, with this trend strengthening further in May 2020 ahead of the lifting of restrictions on angling, as outlined by UK Government on 13 May 2020. Furthermore, strong online sales growth was generated year on year by the Group's local language European websites."

At 31 May 2020, the Group had cash balances of £6.4 million. In addition, the £2.5 million short term NatWest facility remains undrawn.

In addition to the strong growth in online demand that the Group has continued to experience since 1 June 2020, the Group has been rolling out a 'phone and collect' service selectively and progressively across its store network as part of preparations for re-opening all of its stores on 15 June 2020, with a positive customer uptake in the first week. The planned re-opening is immediately prior to the river fishing season which starts on 16 June, an important period for sales of high margin consumable products and bait. Whilst the Covid-19 virus has had a significant impact on the Group's business, the Directors remain confident that Angling Direct is well placed to leverage its scale, infrastructure and market position to take advantage of the long-term opportunities in the Group's markets.

Use of Proceeds

The Board intends to use the proceeds of the Placing as follows:

- a significant proportion will be used to strengthen the Company's balance sheet to offer further protection and provide a buffer against the uncertainty created by Covid-19;
- as lockdown restrictions are eased over the coming weeks, the Directors expect high levels of activity across the Group's sales channels and therefore believe that it will be important to ensure stock is maintained at sufficient levels to satisfy customer demand. A proportion of the Proceeds will therefore be used to provide additional funding for prompt payment of suppliers in order to secure additional supply of product as necessary; and
- at a time when the Covid-19 situation becomes more stable and there is more certainty around the Group's trading environment, to the extent that there are any surplus funds available from the Proceeds, the Directors plan to use those surplus funds to capitalise on various opportunities in the Group's markets and accelerate its growth.

With respect to the use of Proceeds to strengthen the Company's balance sheet, the Board has, in its analysis of available headroom, modelled base case and downside scenarios. In the base case, physical

stores are assumed to make a phased return to normalised levels of activity following their reopening on 15 June 2020. In such circumstances, the Board believes that based on its analysis of forecast cash flows the Group would have sufficient levels of working capital headroom, both before and after the receipt of the Proceeds.

The Board's downside scenario modelling seeks to analyse the impact of a second Covid-19 outbreak and assumes that the Group's physical stores are required to be closed again for an extended period. No further financial assistance is assumed to be received from the Government in the Board's analysis. As disclosed in the Group's FY20 Annual Report and Accounts, prior to receipt of the Proceeds, the developing situation with respect to Covid-19 does give rise to a material uncertainty around going concern. Following receipt of the Proceeds, the Directors believe that the Group would have sufficient working capital based on its Covid-19 related downside scenario analysis.

In the event the Company only receives the proceeds from the First Placing (i.e. the Second Placing does not complete), the Board's downside scenario modelling shows that, following implementation of mitigating actions such as reducing costs, curtailing or deferring other expenditure and putting planned investments on hold, the Group would have sufficient working capital.

The Directors therefore believe that, on the basis of the facts currently available to them, the proceeds from the Placing should provide sufficient working capital.

It is impossible to forecast the continuing impact of Covid-19 on the Group against the backdrop of a fast-changing situation and continuing uncertainty over the period of disruption caused by the pandemic and, in this regard, the scenario modelling undertaken by the Directors can only be regarded as illustrative in nature. Shareholders and potential investors should therefore understand that there is a very high degree of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Placing.

Shareholders should also be aware that if either of the Resolutions are not passed, the Second Placing will not proceed.

3. INFORMATION ON THE PLACING

The Company proposes to raise £5.50 million (before expenses) through the issue of the Placing Shares at the Placing Price, which, at 50.0 pence, represents a discount of 15.3 per cent. to the closing mid-market price of an Ordinary Share of 59.0 pence on 10 June 2020, being the last practicable trading day prior to the announcement of the Placing.

Pursuant to the terms of the Placing Agreement, N+1 Singer has conditionally agreed to use its reasonable endeavours to place the Placing Shares with certain institutional and other investors. The Placing Agreement is conditional upon, amongst other things:

- in respect of the First Placing Shares, the First Admission becoming effective on or before 8:00 a.m. on 17 June 2020 (or such later time and/or date as the Company and N+1 Singer may agree, but in any event by no later than 8.00 a.m. on the Long Stop Date). The Directors will use the Company's existing authorities and powers to disapply pre-emption rights granted by resolutions passed at the Annual General Meeting of the Company held on 10 June 2019 to allot and issue the First Placing Shares. The issue of the First Placing Shares is not, therefore, subject to the approval of Shareholders; and
- in respect of the Second Placing Shares, the Resolutions being duly passed without amendment at the General Meeting and the Second Admission becoming effective on or before 8:00 a.m. on 1 July 2020 (or such later time and/or date as the Company and N+1 Singer may agree, but in any event by no later than 8.00 a.m. on the Long Stop Date).

The Placing Agreement contains customary warranties and indemnities from the Company in favour of N+1 Singer in relation to, amongst other things, the accuracy of the information in this announcement and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify N+1 Singer and its affiliates in relation to certain liabilities they may incur in respect of the Placing. N+1 Singer can terminate the Placing Agreement at any time prior to the Second Admission (and, for the avoidance of doubt, the First Admission) in certain circumstances, including in the event of a material breach of the warranties given in the Placing Agreement, the failure of the Company to comply with its obligations under the Placing Agreement, the occurrence of a force majeure event (including the escalation of any epidemic and/or pandemic following the date of entry into the Placing Agreement) which in N+1 Singer's opinion make it inadvisable or impractical to proceed with the Placing, or a material adverse

change affecting the financial, operational or legal condition of the Group. If this right is exercised, the Placing will not proceed (although if it is exercised after the First Admission, the First Admission will be unaffected and only the Second Placing will not proceed). The Placing is not being underwritten by N+1 Singer (in whole or in part) or by any other person.

The Company has agreed to pay certain fees and commissions to N+1 Singer in respect of the Placing.

Application has been made for 6,462,199 First Placing Shares, and application will be made for 4,537,801 Second Placing Shares, to be admitted to trading on AIM and it is expected that First Admission and Second Admission will become effective and that dealings in the relevant Placing Shares will commence:

- in respect of the First Placing Shares, at 8.00 a.m. on 17 June 2020; and
- in respect of the Second Placing Shares, at 8.00 a.m. on 1 July 2020.

The Placing Shares will, if and when issued, rank *pari passu* in all respects with the then existing Ordinary Shares including the right to receive any dividends and other distributions declared following the First Admission (in the case of the First Placing Shares) and the Second Admission (in the case of all the Placing Shares).

4. EFFECT OF THE PLACING

The First Placing Shares are expected to represent approximately 9.1 per cent. of the Enlarged Share Capital immediately following the First Admission. The Second Placing Shares are expected to represent approximately 6.0 per cent. of the Enlarged Share Capital immediately following the Second Admission (assuming no other Ordinary Shares are issued between the First Admission and the Second Admission). In total, the Placing Shares are expected to represent approximately 14.5 per cent. of the Enlarged Share Capital immediately following the Second Admission (assuming that no other Ordinary Shares are issued between the First Admission and the Second Admission).

5. RELATED PARTY TRANSACTIONS

BlackRock Investment Management (1,931,648 Placing Shares) and Gresham House Asset Management (3,511,204 Placing Shares) have confirmed their respective participations in the Placing. As at the date of this document, BlackRock Investment Management holds 9,259,287 Existing Ordinary Shares and Gresham House Asset Management holds 8,418,000 Existing Ordinary Shares, representing approximately 14.4 per cent. and 13.0 per cent. respectively of the Company's current issued share capital. As Substantial Shareholders (as defined in the AIM Rules), the respective participations of BlackRock Investment Management and Gresham House Asset Management in the Placing constitute related party transactions pursuant to Rule 13 of the AIM Rules.

The Directors (all of whom are regarded to be independent of BlackRock Investment Management and Gresham House Asset Management), having consulted with N+1 Singer, the Company's Nominated Adviser, consider that the respective participations by each of BlackRock Investment Management and Gresham House Asset Management in the Placing are fair and reasonable in so far as the Shareholders are concerned.

6. GENERAL MEETING

The Directors do not currently have authority and power to allot the Second Placing Shares. Accordingly, the Board is seeking the approval of Shareholders at the General Meeting to allot the Second Placing Shares, together with approval to disapply pre-emption rights in respect of the Second Placing Shares.

A notice convening the General Meeting, to be held at The Homestead, Thurgarton Rd, Aldborough, Norfolk NR11 7NY at 10:30 a.m. on 30 June 2020 is set out at the end of the Circular. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which will be proposed as an ordinary resolution, is to authorise the directors of the Company to allot new Ordinary Shares up to an aggregate nominal value of £45,378.01, being equal to 4,537,801 Second Placing Shares; and
- Resolution 2, which will be proposed as a special resolution and which is subject to the passing of Resolution 1, disapplies statutory pre-emption rights, with the authority limited to, among other things, the allotment of equity securities having an aggregate nominal value of £45,378.01, being equal to 4,537,801 Second Placing Shares. This resolution, if passed, would authorise and empower the Directors to allot the Second Placing Shares without first offering them for subscription by

Shareholders. The Directors believe the time and costs of doing so, which would involve an open offer, make the Second Placing a more appropriate way for the Company to raise the funds required.

These Resolutions are in addition to the authorities granted to Directors at the last Annual General Meeting held on 10 June 2019. Further authorities will be sought in the ordinary course at the next Annual General Meeting of the Company.

Directors' statement as required by s.571(6) of the Act:

As regards Resolution 2, the Directors confirm as follows:

- (a) The Board is recommending that Shareholders vote in favour of Resolution 2 because, if the resolution is passed, it will enable the Company to raise the funds to be generated by the Second Placing without incurring the delay and cost of an open offer rights issue:
- (b) The gross amount to be paid to the Company in respect of the equity securities to be allotted using the authority conferred by Resolution 2 is £4,537,801; and
- (c) The directors are of the opinion that the amount referred to in (b) above, when taken with the proceeds of the First Placing will provide the Company with a prudent buffer against the uncertainty created by the Covid-19 pandemic and enable the Company to increase stock levels in order to satisfy anticipated increased demand.

Due to the ongoing UK Government "stay at home measures" which at the time of publication of this document include a prevention of public gatherings of more than six people, and with a view to holding the General Meeting in a manner consistent with the need to prevent the spread of Covid-19, the Directors have formed the view, which is supported by the Chartered Governance Institute (ICSA), that attendance in person at a general meeting by a shareholder, other than one specifically required to form the quorum for that meeting, is not essential for work purposes. The Company will procure that a quorum of two Shareholders (currently anticipated to be the Chairman and a non-executive Director) will be present at the General Meeting. Other Shareholders must not attend the General Meeting in person and any person seeking to attend the General Meeting will be refused entry.

In order to submit a vote at the General Meeting, the Resolutions will be voted on by way of a poll vote and Shareholders, other than the two Shareholders attending the General Meeting as referred to above, must appoint the chairman of the meeting as a proxy to vote on their behalf. Details of how to appoint the chairman of the meeting as your proxy are set out on the Form of Proxy. If you do not indicate clearly on the Form of Proxy as to how you wish the chairman of the meeting to vote, the chairman will use his discretion in relation to the resolutions being put before the meeting and Shareholders are being asked to submit their votes by way of proxy, appointing the chairman of the meeting as their proxy. It is not intended that the above arrangements for holding the General Meeting will be altered, even if there is any relaxation of the current UK Government "stay at home measures".

7. ACTIONS TO BE TAKEN

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

You are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post, email, or, during normal business hours only, by hand, at Share Registrars Limited at, The Courtyard, 17 West Street, Farnham, GU9 7DR, by no later than 10.30 a.m. on 26 June 2020 (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). If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID 7RA36) by no later than 10.30 a.m. on 26 June 2020 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

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.

8. IRREVOCABLE UNDERTAKINGS

The Company has received irrevocable undertakings to vote in favour of the Resolutions from Martyn Page (Executive Chairman), Darren Bailey (Non-executive Director), Paul Davies (Non-executive Director) and certain other Shareholders beneficially holding, in aggregate, 26,443,625 Ordinary Shares, representing, in aggregate, approximately 40.9 per cent. of the Existing Ordinary Shares.

9. RECOMMENDATION

Shareholders should be aware that if either of the Resolutions are not passed, the Second Placing will not proceed. The Directors believe that the Resolutions to be proposed at the General Meeting are in the best interests of the Company and Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions, as those Directors who are Shareholders have irrevocably undertaken to do in respect of their own beneficial holdings representing, in aggregate, 13,915,000 Existing Ordinary Shares, representing approximately 21.5 per cent. of the Existing Ordinary Shares.

Yours sincerely

Martyn Page
Executive Chairman

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the Form of Proxy unless the context requires otherwise:

“ affiliate ”	in respect of a body corporate, a person directly, or indirectly through one or more intermediaries, controlling, controlled by or under common control
“ AIM ”	AIM, a market operated by the London Stock Exchange
“ AIM Rules ”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“ Announcement ”	this announcement (including the appendix)
“ Board ” or “ Directors ”	the directors of the Company as at the date of the Circular
“ Bookbuild ” or “ Bookbuilding Process ”	the offering of Placing Shares to participants in the Placing by way of accelerated bookbuild by N+1 Singer as agent of the Company
“ Business Day ”	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
“ certificated ” or “ in certificated form ”	a share or other security not held in uncertificated form (that is, not in CREST)
“ Circular ”	this document
“ Company ”, “ Group ” or “ Angling Direct ”	Angling Direct Plc, a company incorporated in England and Wales with registered number 05151321
“ CREST ”	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“ CREST Regulations ”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time
“ Enlarged Share Capital ”	the issued share capital of the Company as enlarged by the allotment and issue of, as the context requires: (i) the First Placing Shares, immediately after the First Admission; and (ii) the Placing Shares, immediately after the Second Admission
“ Existing Ordinary Shares ”	the issued share capital of the Company as at the date of this announcement, being 64,621,993 Ordinary Shares
“ Financial Conduct Authority ” or “ FCA ”	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“ First Admission ”	the admission of the First Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“ First Placing ”	the Placing of the First Placing Shares
“ First Placing Shares ”	6,462,199 new Ordinary Shares which are to be issued under the First Placing
“ Form of Proxy ”	the form of proxy for use by Shareholders in connection with the General Meeting expected to be enclosed with the Circular
“ FSMA ”	the Financial Services and Markets Act 2000, as amended from time to time

“General Meeting”	the general meeting of the Company expected to be held at The Homestead, Thurgarton Rd, Aldborough, Norfolk NR11 7NY at 10:30 a.m. on 30 June 2020 (or any reconvened meeting following any adjournment of the general meeting), notice of which will be set out at the end of the Circular
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	14 July 2020 or such later date (if any) as may be agreed in writing by N+1 Singer and Angling Direct
“N+1 Singer”	Nplus1 Singer Advisory LLP (and its affiliates), the Company’s nominated adviser and broker which is incorporated as a limited liability partnership in England and Wales with registered number OC364131
“Notice” or “Notice of General Meeting”	the notice of the General Meeting to be set out at the end of the Circular
“Ordinary Shares”	ordinary shares of 1 penny each in the share capital of the Company
“Placing”	the placing, by N+1 Singer, as agent of and on behalf of the Company, of the Placing Shares at the Placing Price on the terms and subject to the conditions contained in the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 11 June 2020 between the Company and N+1 Singer relating to the Placing
“Placing Price”	the price payable per Placing Share to be agreed between the Company and N+1 Singer, but not less than 50.0 pence per Placing Share
“Placing Results Announcement”	the announcement published by the Company confirming the results of the Placing (including the Placing Price) through a Regulatory Information Service
“Placing Shares”	11,000,000 new Ordinary Shares to be issued to participants in the Placing pursuant to the First Placing and the Second Placing
“Proceeds”	the gross proceeds of the Placing
“Registrar”	Share Registrars Limited, registrars to the Company
“Regulatory Information Service”	has the meaning given in the AIM Rules
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Second Admission”	admission of the Second Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Second Placing”	the Placing of the Second Placing Shares
“Second Placing Shares”	4,537,801 new Ordinary Shares which are to be issued under the Second Placing conditional, inter alia, on the passing of the Resolutions at the General Meeting
“Securities Act”	the United States Securities Act of 1933 (as amended)
“Shareholder(s)”	holder(s) of Ordinary Shares from time to time
“uncertificated” or “in uncertificated form”	recorded on the register of members of the Company 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
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“United States” or “US”	the United States of America
“£”, “pounds sterling”, “penny” or “pence”	UK pounds sterling, the lawful currency of the United Kingdom

NOTICE OF GENERAL MEETING

Angling Direct plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 05151321)

NOTICE IS HEREBY GIVEN THAT that a General Meeting of the Company will be held at 10.30 a.m. on 30 June 2020 at The Homestead, Thurgarton Road, Aldborough, Norfolk NR11 7NY to consider and, if thought fit, pass the following resolutions:

Resolution 1 is an ordinary resolution and, to be passed, will require the approval at the General Meeting of Shareholders representing a simple majority of the total voting rights of Shareholders, who, being entitled to vote, do so in person or by proxy.

Resolution 2 is a special resolution and, to be passed, will require the approval at the General Meeting of Shareholders representing at least 75 per cent. of the total voting rights of Shareholders, who, being entitled to vote, do so in person or by proxy.

ORDINARY RESOLUTION

1. THAT, in accordance with section 551 of the Companies Act 2006 (the “**Act**”), the directors of the Company (the “**Directors**”) be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company pursuant to the non-pre-emptive placing of ordinary shares of £0.01 each in the capital of the Company with certain institutional investors and existing shareholders of the Company described in the circular to shareholders issued by the Company on 12 June 2020 (the “**Placing**”) up to a maximum aggregate nominal amount of £45,378.01 (being equal to up to 4,537,801 Ordinary Shares), provided that this authority will expire at midnight on 14 July 2020. This authority is in addition to all existing authorities under section 551 of the Act.

SPECIAL RESOLUTION

2. THAT, in addition to any other authorities already in existence and subject to and conditional upon the passing of Resolution 1, in accordance with section 571(1) of the Act, the Directors are authorised to allot equity securities for cash (within the meaning of section 560 of the Companies Act 2006) pursuant to the authority conferred by Resolution 1 above, as if section 561 of the Act did not apply to any such allotment, provided that this power:
 - is limited to the allotment of equity securities pursuant to the Placing up to a maximum aggregate nominal value of £45,378.01 (being equal to up to 4,537,801 Ordinary Shares); and
 - will expire at midnight on 14 July 2020.

This resolution is in addition to all existing unexercised powers previously granted to the Directors to allot equity securities as if section 561 of the Act did not apply.

By order of the Board

Shona Wright
Company Secretary

Registered Office:
2D Wendover Road
Rackheath Industrial Estate
Norwich
Norfolk
NR13 6LH

Registered in England and Wales No. 05151321

Due to the ongoing UK Government “stay at home measures” which at the time of publication of this document include a prevention of public gatherings of more than six people, and with a view to holding the General Meeting in a manner consistent with the need to prevent the spread of Covid-19, the Directors have formed the view, which is supported by the Chartered Governance Institute (ICSA), that attendance in person at a general meeting by a shareholder, other than one specifically required to form the quorum for that meeting, is not essential for work purposes. The Company will procure that a quorum of two Shareholders (currently anticipated to be the Chairman and a non-executive Director) will be present at the General Meeting. Other Shareholders must not attend the General Meeting in person and any person seeking to attend the General Meeting will be refused entry.

In order to submit a vote at the General Meeting, the Resolutions will be voted on by way of a poll vote and Shareholders, other than the two Shareholders attending the General Meeting as referred to above, must appoint the chairman of the meeting as a proxy to vote on their behalf. Details of how to appoint the chairman of the meeting as your proxy are set out on the Form of Proxy. If you do not indicate clearly on the Form of Proxy as to how you wish the chairman of the meeting to vote, the chairman will use his discretion in relation to the resolutions being put before the meeting and Shareholders are being asked to submit their votes by way of proxy, appointing the chairman of the meeting as their proxy.

It is not intended that the above arrangements for holding the General Meeting will be altered, even if there is any relaxation of the current UK Government “stay at home measures”.

Notes:

- 1 Members are entitled to appoint the chair of the General Meeting as a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his or her discretion as to whether and, if so, how he or she votes.
- 2 A proxy need not be a member of the Company. Please note, however, the information in the Chairman’s letter on page 7 regarding attendance at the General Meeting. Accordingly, Shareholders are urged to appoint the chairman of the meeting as their proxy. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Share Registrars Limited at The Courtyard, 17 West Street, Farnham, GU9 7DR. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 8 below.
- 3 To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Share Registrars Limited at The Courtyard, 17 West Street, Farnham, GU9 7DR no later than 10.30 a.m. on Friday, 26 June 2020 (or, in the event of any adjournment, no later than 48 hours before the time of the adjourned meeting), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
- 4 A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a ‘vote’ in law and will not be counted in the calculation of the proportion of the votes ‘for’ and ‘against’ a resolution.
- 5 Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company’s register of members 48 hours before the time of the meeting shall be entitled to attend and vote at the general Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
- 6 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the company’s register of members in respect of the joint holding (the first-named being the most senior).
- 7 If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting 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. Please note the following:
 - (a) 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 & Ireland 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 issuer’s agent (7RA36) by the latest time(s) for receipt of proxy appointments specified in this notice. 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 application host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in

the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland 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 sponsored member or has appointed a voting service provider(s), to procure that his 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.
- (c) 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.

9 As explained in the Chairman's letter, shareholders should note that notwithstanding the rights of shareholders contained in the Companies Act 2006 and the Company's articles of association, shareholders will not be entitled to attend the General Meeting in person. As a result of the current law and UK Government guidance regarding the Covid-19 pandemic, any shareholder attempting to gain access to the meeting in person will be denied entry and they will not be able to participate in the business of the meeting. Shareholders should appoint the Chairman of the meeting as their proxy. If a shareholder appoints someone else as their proxy, that proxy will not be able to attend the meeting in person or cast the shareholder's vote.

10 Information regarding the general meeting is available from www.anglingdirect.co.uk/corporate.

