

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN PERSONAL FINANCIAL, TAX AND/OR LEGAL ADVICE IMMEDIATELY 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 ARE RESIDENT IN THE UNITED KINGDOM OR, IF NOT, FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IN THE RELEVANT JURISDICTION IF YOU ARE TAKING ADVICE IN A TERRITORY OUTSIDE THE UNITED KINGDOM**

16 October 2023

To: Participants in the ULS Technology plc Share Incentive Plan (the **SIP**)

Dear Participant

**Recommended cash acquisition of Smoove plc (“Smoove”) by Digcom UK Holdings Limited (Digcom) to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

On 4 October 2023, the boards of directors of Digcom and Smoove announced that they had reached an agreement on the terms of a recommended cash acquisition by Digcom of the entire issued and to be issued share capital of Smoove (“**Acquisition**”). It is intended that the Acquisition will be carried out through what is called a “scheme of arrangement” under Part 26 of the Companies Act 2006 (“**Scheme**”). If the Scheme becomes Effective, Smoove Shareholders will be entitled to receive 54 pence in cash for each Smoove Share held (“**Consideration**”).

This letter is to provide information on the impact of the Acquisition on the Smoove Shares you hold under the SIP and explain what will happen next. If you have any queries regarding this letter, please contact the dedicated Equiniti helpline on +44(0) 371 384 2040. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am - 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti is not able to provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

**1 Why am I receiving this letter?**

- 1.1 As you are a participant in the SIP, this letter explains what will happen to your SIP Shares held on your behalf by the SIP Trustee. A summary of your outstanding SIP Shares can be found on the Equiniti Portal via [www.esp-portal.com](http://www.esp-portal.com).
- 1.2 There is a Glossary at the back of this letter, which explains the key terms used.
- 1.3 The key point to note is that there is no action that you need to take in order to receive value for your SIP Shares pursuant to the Acquisition, and this letter is for information purposes only.
- 1.4 You are entitled to direct the SIP Trustee how to vote on the Acquisition and you will have received a separate letter explaining how to give your voting instructions.

**2 How does the Acquisition work?**

- 2.1 The Acquisition will be implemented by way of the Scheme of Arrangement, the full details of which are set out in Parts 2 (Explanatory Statement) and 4 (The Scheme of Arrangement) of the Scheme Document.
- 2.2 Under the terms of the Acquisition, which shall be subject to the Conditions and further terms set out in Part 3 of the Scheme Document (Conditions to and further terms of the Acquisition), Scheme Shareholders will be entitled to receive:

**for each Scheme Share 54 pence in cash (the Consideration)**

2.3 The Consideration values the entire issued and to be issued share capital of Smoove at approximately £30.8 million on a fully diluted basis.

2.4 A copy of the Scheme Document is available to view on Smoove's website at [www.hellosmoove.com/investorrelations](http://www.hellosmoove.com/investorrelations). You may request a hard copy of the Scheme Document by contacting Equiniti during business hours (8.30 a.m. to 5.30 p.m.) on +44 (0) 371 384 2050 (if calling from outside of the UK, please ensure the country code is used) or by submitting a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

**3 What will happen to my SIP Shares if the Acquisition goes ahead?**

3.1 If the Acquisition goes ahead, any holding period and forfeiture restrictions applicable to your SIP Shares will cease to apply. Digcom will automatically buy all of the SIP Shares that you hold in the SIP for the Consideration of 54 pence per Scheme Share. For the avoidance of doubt, this includes all Partnership and Matching shares that you hold in the SIP.

3.2 If the Acquisition does not go ahead, your SIP Shares will continue to be held in the SIP in the normal way.

**4 When will I get my cash?**

If the Acquisition goes ahead, the cash proceeds for all SIP Shares will be paid to the SIP Trustee within 14 days after the Effective Date. The cash proceeds due to you will then be paid directly to your bank account by the SIP Trustee, as soon as practicable thereafter.

**5 Will I have to pay income tax and national insurance?**

If you are resident in the UK for tax purposes, you should not be liable to pay income tax, employee's national insurance contributions or capital gains tax in connection with the disposal of your SIP Shares as part of the Acquisition. This is the case even if they have been held in the SIP for less than five years at the date of disposal. However, different tax rules may apply if you have ceased employment with Smoove or if you otherwise withdraw your SIP Shares from the SIP trust prior to the Effective Date.

**6 Will I be able to continue to participate in the SIP if the Acquisition goes ahead?**

No. If the Acquisition becomes effective, the SIP will close and you will no longer be able to participate.

**7 What will happen to my SIP Shares if leave Smoove before the Acquisition completes?**

If you leave Smoove before the Acquisition completes, any Partnership and Matching shares you hold will be withdrawn from the SIP trust. In addition, any Matching shares you hold will be forfeited pursuant to rule 7.1 of the SIP rules if they have been held for less than three years (unless they fall within the category of leavers listed in rule 7.1). Different tax treatment may also apply. You should refer to the SIP rules, participant guide and other relevant documentation for further details.

**8 What happens to my unused Partnership share contributions (if any)?**

Partnership share contributions will continue to be deducted from salary in the usual manner until such time as the SIP Trustee determines it would not be practicable to continue making deductions (such cut-off to be determined once the Court Sanction Date is known). Any surplus Partnership share contributions held on your behalf after the Court sanctions the Scheme will be repaid to you. The amount of Partnership share contributions that you currently make cannot be changed.

**9 What do I need to do now?**

- 9.1 There is no action that you need to take in order to receive value for your SIP Shares as a result of the proposed Acquisition.
- 9.2 If the Acquisition goes ahead, Digcom will automatically buy your SIP Shares as described above.
- 9.3 If you wish to instruct the SIP Trustee how to vote on the Acquisition, please refer to the other letter and the enclosed Forms of Direction that have been sent to you on or around the date of this letter.

Yours sincerely

Equiniti Share Plan Trustees Limited acting as trustee of the ULS Technology plc Share Incentive Plan.

## Glossary

**Acquisition:** the proposed acquisition by Digcom of the entire issued and to be issued share capital of Smoove.

**Court:** the High Court of Justice in England and Wales.

**Court Sanction Date:** the date on which the Court sanctions the Scheme of Arrangement. This date to be determined following satisfaction or (if applicable) waiver of conditions 2(A), 2(B) and (3) inclusive set out in Part A of Part 3 of the Scheme Document.

**Digcom:** Digcom UK Holdings Limited, the company acquiring the entire issued and to be issued share capital of Smoove.

**Effective Date:** the date on which the Scheme becomes effective.

**SIP Shares:** Partnership and Matching shares received under the SIP.

**SIP Trustee:** Equiniti Share Plan Trustees Limited acting as trustees of the SIP.

**Portal:** the website operated by Equiniti which contains information on your SIP Shares.

**Scheme:** the proposed scheme of arrangement made under Part 26 of the Companies Act 2006 which is the proposed procedure by which Digcom will become the holder of the entire issued and to be issued share capital of Smoove.

**Scheme Document:** the document setting out the terms of the Scheme sent to Smoove Shareholders.