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If you sell or have sold or otherwise transferred all of your Ordinary Shares in Braveheart Investment Group plc you should deliver this document together with the enclosed Form of Proxy 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 onward transmission to the purchaser or transferee.

The Directors, whose names are set out on page 6, accept responsibility for the information set out in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# BRAVEHEART INVESTMENT GROUP PLC

*(Registered and incorporated in Scotland under the Companies Act 1985 with No. SC247376)*

## Proposed Reduction of Share Capital

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### SHARE CAPITAL FOLLOWING THE CAPITAL REDUCTION

<i>Class of shares</i>	<i>Issued and Fully Paid*</i>	
	<i>Amount</i>	<i>Number</i>
Ordinary Shares of £0.02 each	£541,651.30	27,082,565

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Notice of a General Meeting to be held at the offices of Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH at 11:30am on 19 July 2018 is set out at the end of this Circular. A Form of Proxy for holders of Ordinary Shares for use at the General Meeting accompanies this Circular and, to be valid, must be completed and returned to the Company's registrars, Link Asset Services Limited at Shareholder Solutions, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as soon as possible but in any event received not later than 11:30 am on 17 July 2018 or 48 hours before any adjourned meeting.

A summary of the action to be taken by Shareholders is set out on page 8 of this Circular and in the General Meeting Notice. Completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting.

The Circular, including the Notice of General Meeting, should be read in its entirety and in conjunction with the Form of Proxy. Your attention is drawn to the letter from the Chairman of the Company which

is set out on pages 6 to 8 of this Circular and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Apart from the responsibilities and liabilities, if any, which may be imposed on Allenby Capital Limited (“**Allenby**”) by FSMA or the regulatory regime established thereunder, Allenby does not accept any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or any existing Ordinary Shares, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future. Allenby accordingly disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such statement.

Allenby is authorised and regulated by the FCA and is acting exclusively for the Company and is acting for no one else in connection with the production of this document. Allenby will not regard any other person as a client in relation to the production of this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in connection with the production of this document or any other matter, transaction or arrangement referred to in this document.

This Circular does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction.

The Ordinary Shares have not been approved or disapproved by the US Securities Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed comment upon or endorsed the merits of the Placing or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

## IMPORTANT INFORMATION

### Forward looking statements

Certain statements in this Document are or may constitute “forward looking statements”. Forward looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward looking statements. The Company uses the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “may”, “will”, “should”, “could” and any similar expressions to identify forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company’s actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this Document. The Company is not obliged, and does not intend, to update or to revise any forward looking statements, whether as a result of new information, future events or otherwise except to the extent required by any applicable law or regulation. All subsequent written or oral forward looking statements attributable to the Company, or persons acting on behalf of the Company, are expressly qualified in their entirety by the cautionary statements contained throughout this Document. As a result of these risks, uncertainties and assumptions, a prospective investor should not place undue reliance on these forward looking statements. The Company does not undertake any obligation to publicly update or revise any forward

looking information except as required by applicable securities laws. The market price of the Ordinary Shares may go up or down depending on market and economic conditions.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>Date</i>
Notice of General Meeting posted	21 June 2018
General Meeting	19 July 2018
Anticipated date of final Court hearing for capital reduction	week commencing 22 August 2018

## DEFINITIONS

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

“Act”	the Companies Act 2006
“Articles”	the articles of association of the Company
“Capital Reduction”	the cancellation of the Company’s share premium account
“Company”	Braveheart Investment Group plc
“Court”	the Court of Session
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations)
“Directors” or the “Board”	the Directors of the Company, whose names appear on page 6 of this document
“FSMA”	the Financial Services and Markets Act 2000
“GM” or “General Meeting”	the General Meeting of the Company convened by the notice contained within this document
“Ordinary Shares”	the Ordinary Shares of £0.02 each in the capital of the Company
“Regulations”	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Shareholders”	holders of Ordinary Shares

## LETTER FROM THE CHAIRMAN

# BRAVEHEART INVESTMENT GROUP PLC

*(Incorporated and registered in Scotland under the Companies Act 1985 with No: SC247376)*

*Directors:*

Trevor Brown        *(Chief Executive)*  
Vivian Hallam      *(Executive Director)*  
Jonathan Freeman *(Non-executive Director)*

*Registered Office:*

1 George Square  
Glasgow  
Scotland  
G2 1AL

21 June 2018

*To Shareholders and, for information only, to holders of options over Ordinary Shares*

Dear Shareholder,

### 1. Introduction

The Company proposes to carry out a capital reduction by cancelling the whole of its share premium account thereby allowing the payment of dividends to its shareholders.

A General Meeting is being convened to be held on 19 July 2018 at 11:30 am (or immediately following the conclusion of the Annual General Meeting called at 11.00 am on that date) at the offices of Edwin Coe, 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH in order to consider, and if thought fit, pass the resolutions necessary to implement the proposals.

### 2. Capital Reduction

The Company's 2018 Annual Report and Accounts show its total liabilities as £1,434,382, and its retained earnings as £33,293. However, the retained earnings include unrealised profits of circa £270,000 and do not include contingent liabilities of £147,982. Consequently, the Company does not have any distributable profits and is unable to declare dividends.

At the same time, the Company's accounts show a sum of £1,567,615 standing to the credit of its share premium account. The share premium account is an undistributable reserve and, accordingly, the purposes for which a company can use the sums credited to this reserve are very limited. However, with the consent of Shareholders and the approval of the Court, a company may reduce or cancel its share premium account and the reserve arising on such a reduction of capital may be used in diminishing or extinguishing a deficit or maximising returns to its shareholders.

The Company therefore proposes to cancel the whole of its share premium account in order to generate distributable reserves of approximately £1,295,000. This would enable the Company to pay dividends (should circumstances in the future make it desirable to do so) to the extent of the distributable reserves created but subject to the financial position of the Company and its prospects at the relevant time and any undertakings given to the Court for

the protection of the Company's creditors at the date that the Capital Reduction becomes effective.

#### *The Court application*

The cancellation of the Company's share premium account will only take effect if sanctioned by the Shareholders at the GM and confirmed by the Court and upon the appropriate documents being lodged with the Registrar of Companies.

An application to the Court will be made as soon as practicable after the passing of the required shareholder resolution and the procedure is expected to be completed within six to eight weeks following the passing of the required shareholder resolution.

The Directors have been advised that, having regard to the circumstances at the date of this document, the Court should confirm the Capital Reduction. The Directors are not, however, able to guarantee the Court's confirmation of the Capital Reduction. It is important to note that the Capital Reduction will not take effect unless it is confirmed by the Court.

The Directors have also been advised that the Court may require that the Company give undertakings for the protection of the Company's creditors at the date that the Capital Reduction becomes effective.

The Company's liabilities (including contingent liabilities) amount to a total of approximately £1,582,274, of which (i) £147,892 relates to contingent liabilities arising under guarantees provided by the Company pursuant to s.479(C) of the Act; and (ii) the balance of £1,434,382 relates to debts owed by the Company. The majority of its debtors consist of subsidiaries of the Company, in respect of which there are debts £1,371,373 and contingent liabilities of £105,841. The relevant subsidiaries of the Company have indicated that they will consent to the Capital Reduction to generate distributable reserves and agree not seek repayment of the sums due to them until such time as the as the sums due to the balance of the creditors ("**Remaining Creditors**") at the date on which the Capital Reduction takes effect (the "**Effective Date**") have been repaid in full.

The Remaining Creditors at the Effective Date are due to be paid a total amount of approximately £63,000 and there are contingent liabilities to Remaining Creditors of approximately £42,000.

The Company will if required give an undertaking to the Court that the part of the distributable reserves created by the Capital Reduction equal to the sums due to the Remaining Creditors at the Effective Date will not be used for other purposes without paying those Remaining Creditors the sums due to them on the Effective Date, except to the extent that the Remaining Creditors consent to those distributable reserves being used for other purposes.

### 3. General Meeting of the Company

A notice convening a General Meeting to consider and, if thought fit, pass the Resolution is set out in the Notice of General Meeting attached to this document. A summary of the Resolution is set out below:

Resolution 1: seeks the authority of Shareholders for the cancellation in full of the Company's share premium account.

4. Action to be taken

Shareholders will find a Form of Proxy enclosed for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority) must be deposited at the Company's Registrars, Link Asset Services Limited, Shareholder Solutions, 34 Beckenham Road, Beckenham, BR3 4TU, by 11:30 am on 17 July 2018, or not later than 48 hours prior to the time fixed for any adjourned meeting. A prepaid Form of Proxy is enclosed with this Notice. Completion of the Form of Proxy will not preclude a holder of ordinary shares from attending and voting in person.

5. Recommendation

Your Board believes that the proposals set out in this document are in the best interests of the Company and Shareholders as a whole as the Capital Reduction is likely to mean that, subject to future results and if the Directors consider it appropriate at the time, the Company will be in a position to declare the payment of a dividends in the future.

Completion of the Capital Reduction will put the Company in a net positive position for distributable reserves, which the Board believes will allow dividend payments to be made sooner than would have been the case.

Your Board unanimously recommends that you vote in favour of the Resolutions proposed. Intentions to vote in favour of the Resolutions have been received from Shareholders representing 8,678,103 Ordinary Shares or 32.04 per cent. of the existing issued share capital.

Yours faithfully,

Trevor E Brown  
*Chief Executive Officer*

# BRAVEHEART INVESTMENT GROUP PLC

(Registered and incorporated in Scotland under the Companies Act 1985 with No. SC247376)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Braveheart Investment Group plc will be held at the offices of Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn, London WC2A 3TH on 19 July 2018 at 11:30 a.m. (or immediately following the conclusion of the Annual General Meeting which precedes it) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution:

### SPECIAL RESOLUTION

1. THAT, subject to the confirmation of the court, the share premium account of the Company be cancelled and the amount of the share premium account so cancelled be credited to a reserve.

By Order of the Board  
Trevor E Brown  
*Chief Executive Officer*

Registered office:  
1 George Square  
Glasgow  
G2 1AL

21 June 2018

#### Notes:

1. A member entitled to attend and vote at the General Meeting (the Meeting) is entitled to appoint one or more proxies to exercise all or any of his rights to attend, vote and speak instead of him. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share.
2. To be valid, a form of proxy (other than an electronic communication appointing a proxy) together with the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarially) must be lodged at the office of the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by 11:30 am on 17 July 2018, or not less than 48 hours before the time appointed for holding any adjourned meeting.
3. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, the Company has specified that only those shareholders registered in the register of members of the Company as at close of business on 17 July 2018 or, in the event that this meeting is adjourned, in the register of members at the close of business, two working days prior to any adjourned meeting, will be entitled to vote, or to appoint one or more proxies to vote on their behalf, at this meeting in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after close of business on 17 July 2018 or, in the event that this meeting is adjourned, in the register of members at the close of business, two working days prior to any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, 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).
5. Completion and return of a form of proxy will not prevent a member from attending the meeting and voting in person should they wish to do so.

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising 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.
7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the appointment of a proxy or to 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 (ID RA10) by 11:30 am on 17 July 2018. 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 issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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 therefore 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.
9. 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.
10. 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.
11. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.



