

4 September 2019

Mobile Streams plc

("Mobile Streams" or the "Company")

Proposed Cancellation of Admission of Ordinary Shares to trading on AIM

Publication of Circular and Notice of General Meeting

Mobile Streams plc (AIM: MOS) today announces its intention to seek Shareholder approval for the cancellation of admission of its ordinary shares to trading on AIM (the "Cancellation"), re-registration as a private limited company and adoption of new articles of association.

A circular will be published and posted to Shareholders today setting out the background to and the reasons for the Cancellation and the implications for the Company's Shareholders ("Circular"). The Circular will also contain a notice convening a general meeting of the Company ("General Meeting") at which Shareholders are invited to consider the proposed Cancellation, re-registration as a private limited company ("Re-registration") and adoption of new articles of association (together, the "Resolutions").

The Directors consider these proposals to be in the best interest of Company and its Shareholders as a whole after considering, amongst other things, it is unlikely that the Company will successfully complete a public markets transaction, the scale of the business is no longer appropriate for that of a publicly quoted company and the costs of maintaining trading in the Ordinary Shares on AIM and intend to vote in favour of the Resolutions at the General Meeting.

The Cancellation Resolution is conditional, pursuant to Rule 41 of the AIM Rules, upon the approval of not less than 75 per cent. of the votes cast by Shareholders (whether present in person or by proxy) at the General Meeting. Should Cancellation be approved by Shareholders, the Company intends to put in place a matched bargain settlement facility with BritDAQ Limited which should facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation.

The General Meeting of the Company will be held at 9 a.m. on 30 September 2019 at the offices of N+1 Singer, 1 Bartholomew Lane, London, EC2N 2AX.

The full text of the Board's Letter set out within the Circular and the Expected Timetable of Principal Events are reproduced in full below.

Definitions in this announcement are the same as those included in the Circular.

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This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR").

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Notice provided to the London Stock Exchange to notify it of the proposed Cancellation	29 August 2019
Publication and posting of the Circular and Form of Proxy to Shareholders	4 September 2019
Latest time and date for receipt of completed Forms of Proxy in respect of the General Meeting	9.00 a.m. on 26 September 2019
Time and date of the General Meeting	9.00 a.m. on 30 September 2019
Expected last day of dealings in Ordinary Shares on AIM	7 October 2019
Expected time and date of Cancellation	7.00 a.m. on 8 October 2019

- (1) All of the times referred to in this announcement and the Circular refer to London time, unless otherwise stated.
- (2) Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

Background to and reasons for Cancellation

The Directors have conducted a review of the benefits and drawbacks to the Company and its Shareholders in retaining the listing of the Ordinary Shares on AIM, and believe that Cancellation is in the best interests of the Company and its Shareholders as a whole. In reaching this conclusion, the Directors have considered the following key factors, amongst others:

- As announced in its most recent trading update, the Company is focussing on financing initiatives to improve its working capital profile. The Directors consider that it is unlikely that the Company will successfully complete a public markets transaction such as a secondary fundraise or a reverse takeover to provide additional capital given the Company's existing low cash resources;
- The Board's current priority is to preserve the Company's limited cash resources by minimising all expenditure wherever possible. As announced on 12 April 2019, the Board undertook a comprehensive cost-cutting plan during the financial year ended 30 June 2019. The considerable cost incurred in maintaining the Company's admission to trading on AIM is, in the Directors' opinion, disproportionate to the benefits to the Company. It is estimated that Cancellation will reduce the Company's recurring administrative and advisor costs by £130,000 per annum, and these sums can be better spent supporting growth in the existent business; and
- In recent years, the revenues have declined significantly and the Directors consider that the scale of the business is no longer appropriate for that of a publicly quoted company. Additionally, the Directors believe that rebuilding the business as a publicly quoted company will be more challenging due to the management time and the legal and regulatory burden associated in maintaining the Company's AIM listing.

Following careful consideration, the Directors believe that it is in the best interests of the Company and Shareholders to seek the proposed Cancellation at the earliest opportunity.

Following the Cancellation, the Board believes that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the New Articles on the rights and obligations of Shareholders and the Company are summarised in Part II of the Circular.

Process for, and principal effects of, the Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. Such Shareholders should consider selling their interests in the market prior to the Cancellation becoming effective.

Under the AIM Rules, the Company is required to give at least 20 clear Business Days' notice of Cancellation. Additionally, Cancellation will not take effect until at least 5 clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 7 October 2019 and that the Cancellation will take effect at 7.00 a.m. on 8 October 2019.

The principal effects of the Cancellation will be that:

- there will be no formal market mechanism enabling the Shareholders to trade Ordinary Shares;
- the Ordinary Shares may be more difficult to sell compared to shares of companies traded on AIM (or any other recognised market or trading exchange);
- in the absence of a formal market and quote, it may be more difficult for Shareholders to determine the market value of their investment in the Company at any given time;
- the regulatory and financial reporting regime applicable to companies whose shares are admitted to trading on AIM will no longer apply;
- Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of price sensitive information or certain events and the requirement that the Company seek shareholder approval for certain corporate actions, where applicable, including substantial transactions, reverse takeovers, related party transactions and fundamental changes in the Company's business, including certain acquisitions and disposals;
- the levels of disclosure and corporate governance within the Company may not be as stringent as for a company quoted on AIM;
- N+1 Singer will cease to be nominated adviser to the Company;
- Whilst the Company's CREST facility will remain in place immediately post the Cancellation, the Company's CREST facility may be cancelled in the future and, although the Ordinary Shares will remain transferable, they may cease to be transferable through CREST. In this instance, Shareholders who hold Ordinary Shares in CREST will receive share certificates.
- the Cancellation and Re-registration may have personal taxation consequences for Shareholders. Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

The Company will remain registered with the Registrar of Companies in England & Wales in accordance with and subject to the Companies Act 2006 (the "Law"), notwithstanding the Cancellation. Shareholders should also note that the Takeover Code will continue to apply to the Company following the Cancellation for the period of at least 10 years from the date of Cancellation subject to the Reregistration occurring. However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

The Company currently intends to continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company. The Company will:

- continue to communicate information about the Company (including annual accounts) to its Shareholders, as required by the Law;
- continue to hold general meetings for at least 12 months following the Cancellation and Reregistration where shareholder resolutions are proposed, although the company does not propose to continue to hold annual general meetings following Cancellation and Reregistration; and
- continue, for at least 12 months following the Cancellation, to maintain its website, www.mobilestreams.com and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under the Disclosure Guidance and Transparency Rules, AIM Rule 26 or to update the website as required by the AIM Rules.

In addition, the Company confirms that there is currently no intention to change the existing Directors following the Cancellation.

The Resolutions to be proposed at the General Meeting include the adoption of the New Articles with effect from the Re-registration. A summary of the principal changes being made by the adoption of the New Articles is included in Part II of the Circular. A copy of the New Articles can be viewed at <http://www.mobilestreams.com/investors>.

Transactions in the Ordinary Shares prior to and post the proposed Cancellation

- *Prior to Cancellation*

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to Cancellation.

- *Dealing and settlement arrangements*

The Directors are aware that Shareholders may wish to acquire or dispose of Ordinary Shares in the Company following the Cancellation. Should Cancellation be approved by Shareholders at the General Meeting, the Company intends to put in place a matched bargain settlement facility with BritDAQ Limited which should facilitate Shareholders buying and selling Ordinary Shares on a matched bargain basis following Cancellation.

If Shareholders wish to buy or sell Ordinary Shares on AIM they must do so prior to the Cancellation becoming effective. As noted above, in the event that Shareholders approve the Cancellation, it is anticipated that the last day of dealings in the Ordinary Shares on AIM will be 7 October 2019 and that the effective date of the Cancellation will be 8 October 2019.

Current Trading, Strategy and Prospects

The Company's trading has been broadly consistent on a constant currency basis since the financial

year ended 30 June 2019. However, the impact of the further devaluation of the Argentine Peso will materially reduce the Company's revenues when expressed in Sterling.

The Company is continuing to pursue a strategy of reducing its costs including a reduction to salaries in order to improve profitability and preserve its cash resources.

Re-registration

Following Cancellation, the Directors believe that the requirements and associated costs of the Company maintaining its public company status will be difficult to justify and that the Company will benefit from the more flexible requirements and lower costs associated with private limited company status. It is therefore proposed to re-register the Company as a private limited company. In connection with the Re-registration, it is proposed that the New Articles be adopted to reflect the change in the Company's status to a private limited company. The principal effects of the Re-registration and the adoption of the new articles of association on the rights and obligations of Shareholders and the Company are summarised in Part II of the Circular.

Application will be made to the Registrar of Companies for the Company to be re-registered as a private limited company. Re-registration will take effect when the Registrar of Companies issues a certificate of incorporation on Re-registration. The Registrar of Companies will issue the certificate of incorporation on Re-registration when it is satisfied that no valid application can be made to cancel the resolution to re-register as a private limited company or that any such application to cancel the resolution to reregister as a private limited company has been determined and confirmed by the Court.

Takeover Code

Notwithstanding the Cancellation and Re-registration, under the Takeover Code the Company will continue to be subject to its terms for a period of 10 years following the Cancellation (subject to the Reregistration occurring). However, the Takeover Code may cease to apply earlier, if a majority of the Directors cease to be resident in the UK, Channel Islands or Isle of Man.

Under Rule 9 of the Takeover Code, when any person or group of persons acting in concert, individually or collectively, are interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but do not hold shares carrying more than 50 per cent. of the voting rights of a company and such person or any person acting in concert with him acquires an interest in any other shares, which increases the percentage of the shares carrying voting rights in which he is interested, then that person or group of persons is normally required by the Panel to make a general offer in cash to all shareholders of that company at the highest price paid by them for any interest in shares in that company during the previous 12 months. Rule 9 of the Takeover Code further provides that where any person, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company to which the Takeover Code applies and acquires additional shares which carry voting rights, then that person will not generally be required to make a general offer to the other shareholders to acquire the balance of the shares not held by that person or his concert parties.

Following the expiry of the 10 year period from the date of the Cancellation (subject to the Re-registration occurring), or such other date on which the Takeover Code ceases to apply to the Company, the Company will no longer be subject to the provisions of the Takeover Code. A summary of the protections afforded to Shareholders by the Takeover Code which will be lost is set out in Part III of the Circular.

Process for Cancellation

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at the General Meeting. Accordingly, the Notice of General Meeting set out in Part IV of the Circular contains a special resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business

Days prior to such date. In accordance with AIM Rule 41, the Directors have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the General Meeting, to cancel the Company's admission of the Ordinary Shares to trading on AIM on 8 October 2019. Accordingly, if the Cancellation Resolution is passed the Cancellation will become effective at 7.00 a.m. on 8 October 2019. If the Cancellation becomes effective, N+1 Singer will cease to be nominated adviser of the Company and the Company will no longer be required to comply with the AIM Rules.

Recommendation

The Directors consider that the Cancellation, Re-registration and adoption of the New Articles are in the best interests of the Company and its Shareholders as a whole and therefore unanimously recommend that Shareholders vote in favour of the Resolutions at the General Meeting.