

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities.

If you have sold or transferred all of your registered holding of Ordinary Shares, you should forward this document, together with the accompanying form of proxy, immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Ordinary Shares are admitted to trading on AIM. Conditional upon completion of the Placing, an application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission to trading on AIM and dealings in the New Ordinary Shares will occur on 15 June 2015.

The Company and the Directors, whose names are set out on page 2, accept responsibility, both collectively and individually, for the information contained 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

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## DIRECTORS AND ADVISORS

Directors	Martyn Rose (Non-Executive Chairman) Michael Cairns (Chief Executive Officer) Alan Moug (Chief Financial Officer) Mark Rowse (Non-executive director)
Company Secretary	Alan Moug
Nominated adviser and broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Legal advisers to the Company	Memery Crystal LLP

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Offer Record Date	22 May 2015
Announcement of the Placing and Offer date of this document and posting of the Application Form	26 May 2015
Return of proxy by	10.00 a.m. on 10 June 2015
General Meeting of Shareholders	10.00 a.m. on 12 June 2015
Latest time and date for receipt of completed Application Forms and payment in full under the Offer	11.00 a.m. 11 June 2015
Expected date of announcement of the result of the Offer via Regulatory Information Service	12 June 2015
Allotment and Issue of EIS Placing Shares	after 5.00 p.m. on 12 June 2015
Allotment of New Ordinary Shares (other than the EIS Placing Shares)	before 8.00 a.m. on 15 June 2015
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. 15 June 2015
CREST accounts expected to be credited for the Placing Shares in uncertificated form	15 June 2015
Admission and dealings in the Offer Shares expected to commence on AIM	8.00 a.m. on 15 June 2015
CREST accounts expected to be credited for the Offer Shares in uncertificated form	as soon as practicable after 8.00 a.m. on 15 June 2015
Expected date for posting of share certificates for the Offer in uncertificated form pursuant to the Offer	by 29 June 2015

### Notes:

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) The dates and timing of the events in the above timetable and in the rest of this document are indicative only and may be subject to change.
- (3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through an RNS.



## DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended from time to time)
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market of that name operated by London Stock Exchange
“AIM Rules”	the rules for companies with a class of securities admitted to AIM and their nominated advisers governing the admission to and operation of AIM as published by London Stock Exchange from time to time
“Application Form”	an application form enclosed with this document for use by Qualifying Shareholders in connection with the Offer;
“Business Day”	a day not being a Saturday or a Sunday or a bank or public holiday in England on which clearing banks are open for business in the City of London
“Capita Asset Services”	a trading name of Capita Registrars Limited, registrars and receiving agent to the Company;
“Cenkos”	Cenkos Securities Plc, nominated adviser and broker to the Placing and Offer
“Company” or “Publishing Technology”	Publishing Technology PLC

“Euroclear”

Euroclear UK & Ireland Limited, the operator of CREST

PART I

Letter from the Chairman

Publishing Technology PLC

(Registered in England no.00837205)

Registered Office  
8100 Alec Issigonis Way  
Oxford Business Park  
North Oxford  
OX4 2HU

Directors

Martyn Rose, Non-Executive Chairman



## Publishing Technology

Publishing Technology is a global provider of enterprise software and related consulting services to blue chip customers. The Company is an important supplier to the publishing industry in the U.S.A and Europe, with a presence in São Paulo, Beijing, Sydney and New Delhi. Publishing Technology has a fully developed product set with new and expanded market opportunities, and a long-term recurring revenue model. The Company counts McGraw Hill Education, Elsevier, BioOne Research, American Institute of Physics, HarperCollins, Penguin Books, and Cambridge University Press among more than four hundred clients. Publishing Technology's software suite tracks the full publishing revenue cycle, including contracts, management, royalties, rights, permissions, digital and print distribution, e-commerce, access and entitlement and content management.

The Directors believe that following investment of £20 million over the past ten years into its software, the Company is now in a strong position for rapid expansion. The current order book is robust, the pipeline is growing in the U.S.A and Europe and the Company's joint venture is increasing its market presence as a publishing solutions provider in China. The Directors believe that the Company's core market is currently under-penetrated for Enterprise Resource Planning ("ERP") solutions. Publishing Technology has developed and advanced a modular-based ERP software solution with support for digital content management, to replace Vista, the original ERP software publishing solution. The Directors also believe that there is significant potential for its Partnership and Value-

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## Results

The results for the financial period ended 31 December 2014 were announced earlier today. In summary, Publishing Technology achieved total revenues of £14.4 million, 76% of which were recurring revenue streams, including multi-year contracts and managed services. Core products such as Vista were highly profitable. The Company made after-tax losses of £3.6 million, compared to profits of £0.9 million the previous year. This loss was primarily due to a realignment of revenue and a provision for research and development costs which brings future losses into the current year, both of which relate to an onerous contract, as well as additional development costs incurred in the year. As noted in the Company's announcement of 21 January 2015, following the appointment of Michael Cairns, the Board, in conjunction with its auditors, undertook a review of its existing contracts and the appropriate revenue recognition. The Company retains important intellectual property from the aforementioned contract and the Directors believe that the losses have now been fully absorbed and will not negatively affect future years.

## Current trading

Despite additional investment during the year to 31 December 2014 which was a transition year, the Board have restructured the business for future scalability to achieve a return on the substantial investments in advance and pub2web.

The management team has seen considerable change with Michael Cairns taking over as CEO in April 2014 and the hiring of new skills required especially in the positions of Chief Technology Officer and Global Projects Director. The Board are confident that they have built the right team to ensure the success of the Company.

The Board believes that the business has made good progress in pursuing the strategy to date with products in good shape, services clearly understood, and the right team to deliver real growth in revenue and profit across the business.

Trading in the first few months of 2015 is on target with a robust order book for the new product set.

## Repayment of Loan Note

The Loan Note was inherited from Vista International Limited on the reverse takeover of Ingenta plc in February 2007. The Loan Note was originally a convertible loan note for £2.5 million. £1 million of the loan note was previously converted to equity. The remaining £1.5 million loan note is no longer convertible and currently carries an interest rate of 12%. The Loan Note and any accrued interest will be repaid from the proceeds of the Placing.

## Repayment of Directors' Loans

On 25 November 2015 the Company announced that it had entered into unsecured loan note instruments for an aggregate of £1.25 million from Martyn Rose, Alan Moug and Mark Rowse. Following receipt of the proceeds of the Placing, these loans will be repaid in full.

These loans were drawn down between August 2014 and March 2015. All short term directors' loans carry an interest rate of 12% per annum. Interest was paid up to 4 February 2015. Interest between 5 February 2015 and redemption will be paid on redemption.

## The Placing and the Placing Agreement

The Company proposes to raise approximately £9 million (before expenses) through the Placing, conditional on (inter alia) Admission, of the Placing Shares at the Issue Price through Cenkos. The Issue Price represents a discount of 18.6% to the closing middle market price of 147.50 pence per Ordinary Share on 22 May 2015, being the last practicable date prior to the announcement of the Placing.

Pursuant to the terms of the Placing Agreement, Cenkos, as broker to the Company, has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares at the Issue Price with certain institutional and other investors. The Placing Agreement is conditional upon, inter alia, Admission of the Placing Shares becoming effective on or before 8.00 a.m. on 15 June 2015 (or such later time and/or date as the Company and Cenkos may agree, but in any event by no later than 8.00 a.m. on 29 June 2015). The Placing Agreement contains warranties from the Company in favour of Cenkos in relation to, inter alia, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the



#### Dealings and Settlement on AIM

The Offer and Placing Shares will be allotted and issued fully paid and will, on issue, rank pari passu with the existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the Offer and Placing Shares to be admitted to trading on AIM. Admission of the Offer Shares to trading on AIM is expected to occur at 8.00 a.m. on 15 June 2015.

#### Enterprise Investment Scheme and Venture Capital Trusts

Qualifying Shareholders wishing to participate in the Offer should carefully read the Application Form and accompanying instructions and send their completed Application Form along with the appropriate remittance to Capita at the address specified in the instructions.

Martyn Rose  
Chairman

## PART II

### RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Prospective investors should carefully review and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Company's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company or the Group. There can also be no guarantee that the Company's objectives will be achieved. Prospective investors should be aware that the value of New Ordinary Shares and the income from them may go down as well as up and that they may not be able to realise their investment. In addition, it is possible that the market

## EIS and VCT status

The Company has received advanced clearance from HM Revenue & Customs that the Company should be a “qualifying holding” for the purposes of the EIS and for investment by a VCT under Chapter 4 Part 6 of the UK Income Tax Act 2007. The advance clearance only relates to the qualifying status of the Company and its shares and will not guarantee that any particular investor, including any VCT investor, will qualify for relief in respect of an acquisition of Ordinary Shares. Any investor who is a Qualifying Employee (or an associate of a Qualifying Employee for EIS purposes) will not be entitled to claim EIS relief, nor will any Qualifying Shareholder who has been an employee of the Company (or an associate of an employee) within the two year period prior to the date of Subscription. The continuing availability of EIS relief and the status of the relevant New Ordinary Shares as a qualifying holding for VCT purposes will be conditional amongst other things, on the Company continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making its investment (under EIS) and, for VCT purposes, throughout the period the Ordinary Shares are held as a “qualifying holding”. Neither the Company nor the Company’s advisers are giving any warranties or undertakings that any relief under the EIS or that VCT qualifying status will be available in respect of the Placing, Subscription or Offer, or that in due course such relief or status will not be withdrawn.

Any person who is in any doubt as to their taxation position should consult their professional tax adviser in order that they may fully understand how the rules apply in their individual circumstances.

## Risks relating to the Placing and Offer

Shareholders will experience dilution in their ownership of the Company regardless of whether a Qualifying Shareholder subscriber in the Offer, the effect of the Placing will be a reduction of his proportionate ownership and voting interests in the Company. The Placing Shares are not being offered to Qualifying Shareholders under the Offer. Shareholders will experience greater dilution in their ownership of, and voting interest in, the Company depending on the extent of their participation in the Offer.

Overseas Shareholders may not be eligible to participate in the Offer. Securities laws of certain jurisdictions may restrict the Company’s ability to allow participation by Overseas Shareholders in the Offer. In particular, holders of Ordinary Shares who are located in the US may not be able to exercise their pre-emption rights unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. The Placing and Offer will not be registered under the Securities Act. Securities laws of certain other jurisdictions may restrict the Company’s ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Qualifying Shareholders who have a registered address in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for and/or receive New Ordinary Shares.

## PART III

### TERMS AND CONDITIONS OF THE OFFER

The contract created by the acceptance by the Company (at the absolute discretion of the Directors) of applications from Qualifying Shareholder(s) under the Offer is conditional upon Admission of the Offer Shares occurring on 15 June 2015 (or such later date, being not later than 29 June 2015, as the



- vii. represents and warrants that, if such applicant signs an Application Form on behalf of somebody else, such applicant has due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and such applicant further undertakes to enclose such applicant's power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
- viii. agrees that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that such applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceedings

acceptances applications in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before all of the conditions of the Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account.

If the Offer does not become unconditional, no Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as reasonably practicable following the lapse of the Offer.

- d) To ensure compliance with the Regulations, Capita Asset Services may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements").

If Capita Asset Services determines that the verification of identity requirements apply to any application, the relevant Offer Shares (notwithstanding any other term of the Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. Capita Asset Services is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any application and whether such requirements have been satisfied, and neither Capita Asset Services nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Capita Asset Services has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Offer will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply:

- if the applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005) on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; and
- if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- if the aggregate subscription price for the Offer Shares is less than £15,000 (approximately £11,300).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- i. if payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made

identity bearing his or her photograph (for example, his or her passport) and separate evidence of identity of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case, Capita Asset Services has not received evidence satisfactory to it as aforesaid, Capita Asset Services may, at its absolute

PUBLISHING TECHNOLOGY PLC (the "Company")  
**NOTICE OF GENERAL MEETING**

Notice is hereby given that the General Meeting of the Company will be held at 10 a.m. on 12 June 2015 at the Company's offices, 8100 Alec Issigonis Way, Oxford, OX4 2HU to consider, and if thought fit, passing the following resolutions of which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution:

**ORDINARY RESOLUTION**

1. That the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the Act) to exercise the powers of the Company to allot Relevant Securities (as defined in this resolution), up to a maximum nominal amount of £850,000, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the annual general meeting of the Company to be held in 2015, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities to be allotted in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired. This authority is in addition to all previous authorities conferred on the Directors in accordance with section 551 of the Act. In this resolution, 'Relevant Securities' means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company ("

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members at 5:00 p.m. on 10 June 2015 or, if the General Meeting is adjourned, 48 hours prior to the adjourned General Meeting (no account being taken of any part of a day which is not a working day) shall be entitled to attend and vote at the General Meeting.
2. A form of proxy is enclosed. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
3. A proxy does not need to be a member of the Company but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to him or her.
4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote, or abstain from voting, as he or she thinks fit in relation to any other matter which is put before the General Meeting.
5. In the case of joint shareholders, the person whose name appears first in the register of members has the right to attend and vote at general meetings to the exclusion of all others.
6. The notes to the form of proxy explain how to direct your proxy how to vote on each resolution. To appoint a proxy using the form of proxy, the form must be completed, signed and sent or delivered to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received no later than 10.00 a.m. on 10 June 2015. In the case of a member which is a company, the form of proxy must be executed under its common seal or signed on its behalf by an officer of the company.
7. To change your proxy instructions please submit a new proxy appointment. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
8. Appointment of a proxy does not preclude you from attending the General Meeting and voting in person. If you have appointed a proxy and attend the General Meeting in person, your proxy appointment will automatically be terminated.
9. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
10. Except as provided above, members who have general queries about the Meeting should use the following electronic address of the Company's secretary (no other methods of communication will be accepted):
11. You may not use any electronic address provided either:
  - a. in this notice of general meeting; or
  - b. any related documents (including the Chairman's letter and proxy form)to communicate with the Company for any purpose other than those expressly stated.
12. As at 5.00 p.m. on the day immediately prior to the date of posting of this notice, the Company's issued share capital comprised 8,413,610 ordinary shares of £0.10 each and. Each ordinary share carries the right to one vote at a general meeting of the Company.

