

Best of the Best plc

(“Best of the Best”, “BOTB”, “the Company” or “the Group”)

Announcement of Tender Offer and General Meeting

Best of the Best plc runs competitions online to win cars and other prizes.

The Company announced today that it intends to return surplus cash to Shareholders by way of a tender offer, pursuant to which finnCap will purchase, as principal, up to approximately 11 per cent. of the Company's Ordinary Shares (on the basis of 1 Ordinary Share for every 9 held) at a price of 600 pence per Ordinary Share. All of the Ordinary Shares that finnCap purchase under the Tender Offer will be subsequently repurchased from it by the Company pursuant to the terms and conditions of the Repurchase Agreement.

If the maximum number of Ordinary Shares under the Tender Offer are acquired this will result in an amount of approximately £6.275 million being paid to Qualifying Shareholders. Shareholders can decide whether they want to tender up to their Basic Entitlement together with potential for further purchases, depending on the number of Shares tendered by other Qualifying Shareholders.

The Tender Offer Price represents a premium of 52.28 per cent. to the middle market closing price of 394 pence per Ordinary Share on 15 June 2022, being the latest practicable date before the release of this announcement.

A circular, containing the formal terms and conditions of the Tender Offer and instructions to Qualifying Shareholders on how to tender their Ordinary Shares should they choose to do so, together with a Tender Form and Form of Proxy, are expected to be posted to Shareholders later today (the “**Circular**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Circular, an extract of which is included below.

Background to and reasons for the Proposals

The Board of BOTB considers that it is in the interests of Shareholders to implement the Tender Offer so as to provide those Qualifying Shareholders who wish to sell shares in the Company the opportunity to do so.

The Company has been cash generative for a number of years and as noted in the Trading Update section below benefits from a strong balance sheet with sufficient distributable cash reserves. Profitable trading in recent periods has led this surplus cash on the balance sheet which the Board believes that the Company does not require to fund its growth plans in the short term. Following the capital distribution, the Company will retain a robust balance sheet, maintaining cash balances in excess of £2.0 million, which the Directors consider to be sufficient working capital to fund its activities over the next 12 month period. As such, the Board deems it appropriate to return surplus cash to shareholders via the Tender Offer. Returning surplus cash by way of Tender Offer or Special Dividend has been part of the Company's strategy for a number of years.

In determining the level of return of value, the Board has taken into consideration its aim of improving the Company's earnings per share, as well as targeting a more efficient capital structure through returning excess balance sheet cash to Shareholders.

In order to return surplus cash to Shareholders by way of the Tender Offer, the Company is required to produce and file a new balance sheet with Companies House, demonstrating that it has sufficient distributable cash reserves. The Company shortly intends to file an audited Company balance sheet as at 30 April 2022 with Companies House.

Benefits of the Proposals

The Board has considered a range of options for returning cash to Shareholders but decided to do this by way of the Tender Offer because it believes this process benefits both Qualifying Shareholders and the Company. In particular, the Directors believe that the Tender Offer:

- provides those Qualifying Shareholders who wish to sell Ordinary Shares with the opportunity to do so;
- is available to all Qualifying Shareholders regardless of the size of their shareholdings;
- ensures equal opportunity to all Qualifying Shareholders to participate in the return of capital by offering a guaranteed Basic Entitlement to all Qualifying Shareholders;
- enables those Qualifying Shareholders who do not wish to receive capital at this time to maintain their full investment in the Company;
- enables Ordinary Shares to be sold by Qualifying Shareholders free of commissions or charges that would otherwise be payable by them if they were to sell their shares through their broker; and
- will have a positive impact on both the Company's earnings per share and dividend per share as all Ordinary Shares purchased by the Company pursuant to the Repurchase Agreement will be cancelled.

Acceptance of the Tender Offer will constitute a return of capital of 600 pence per share in respect of each Ordinary Share tendered.

Details of the Proposals

The Directors propose that the Tender Offer be made, pursuant to which finnCap will purchase, as principal, up to approximately 11 per cent. of the Company's Ordinary Shares at a price of 600 pence per Ordinary Share. The Tender Offer is being made subject to the passing of a special resolution which will be proposed at the General Meeting. The Tender Offer is also subject to the conditions set out in the Repurchase Agreement and Part 2 of the Circular being fulfilled. The Tender Offer is open to Qualifying Shareholders on the Register at 6.00 p.m. on the Tender Offer Record Date.

In accordance with the terms and subject to the conditions of the Repurchase Agreement, finnCap has granted to the Company a call option pursuant to which, the Company may, at its sole discretion, purchase from finnCap all of the Ordinary Shares purchased by it pursuant to the Tender Offer at a price of 600 pence per Ordinary Share. Under the Repurchase Agreement the Company has also granted to finnCap a put option whereby to the extent that the call option is not exercised by the Company within the prescribed call option exercise period, finnCap may, at its sole discretion, require that the Company purchase all such Ordinary Shares from it at a price of 600 pence per Ordinary Share. All of the Ordinary Shares purchased by the Company under the Repurchase Agreement will be cancelled.

The purchase of shares from finnCap pursuant to the Repurchase Agreement will be funded from available cash of the Company and paid out of its distributable reserves. Accordingly, following the completion of the Repurchase, the Company's distributable reserves will be reduced by the size of the Tender Offer. If the call option or put option is exercised pursuant to the Repurchase Agreement, the Company's issued share capital will be reduced to 8,367,024 Ordinary Shares, assuming the Tender Offer is taken up in full.

General Meeting

The authorisation of the Repurchase Agreement and, accordingly, the implementation of the Tender Offer, requires, inter alia, the passing of a special resolution.

There is set out at the end of the Circular a notice convening a General Meeting of the Company to be held at the offices of the Company at 2 Plato Place, 72-74 St Dionis Road, London SW6 4TU on 4 July 2022 at 11.00 a.m.

Irrevocable undertakings by Director Shareholders

Directors William Hindmarch, Rupert Garton, David Firth, Daniel Burns and Ben Hughes and persons closely associated with them and former director, Michael Hindmarch, who together are the registered holders of, in aggregate, 4,571,377 Ordinary Shares, representing approximately 48.57 per cent. of the Company's current issued share capital, have undertaken to accept the Tender Offer in respect of their Basic Entitlement and to vote in favour of the Resolution.

Director Shareholdings

As described in the paragraph above, the following Directors intend to accept the Tender Offer in respect of the following shares:

Name	Current Shareholding	Current Shareholding %	Undertaken Tender Offer share take-up	Resultant Shareholding *	Resultant Shareholding %*
William Hindmarch*	3,017,588	32.06%	335,288	2,682,300	32.06%
Rupert Garton	887,250	9.43%	98,584	788,666	9.43%
David Firth	4,623	0.05%	514	4,109	0.05%
Daniel Burns	20,833	0.22%	2,315	18,518	0.22%
Ben Hughes	44,791	0.48%	4,977	39,814	0.48%

* Assuming full take-up of the 1,045,877 Tender Offer shares

** Including Ordinary Shares held by his wife

Trading update

As disclosed in the announcement of the Company's preliminary results for the year ended 30 April 2022, released earlier today, revenue for the year ended 30 April 2022 was £34.68 million (2021: £45.68 million, 2020: £17.79 million) and profit before tax was £5.14 million (2021: £14.06 million, 2020: £4.21 million). Earnings per share were 45.66p (2021: 122.52p, 2020: 37.51p).

A total of £5.90 million of cash flow was generated from operations during the period. Net assets at 30 April 2022 stood at £8.09 million (2021: £8.96 million, 2020: £3.30 million), underpinned by cash balances of £10.82 million (2021: £11.8 million, 2020: £5.2 million) and our 965-year leasehold office properties valued at £0.95 million. The Group is debt free.

As stated in the aforementioned announcement, the Company has delivered consistently strong results over recent years and management have been adjusting the various business levers at their disposal, to ensure that where revenues and customer acquisition are settling and normalising post pandemic, the business continues to produce strong profits and cash generation. Whilst this has not been without its challenges, with so many unknowns in this financial year, the Company is pleased to have produced financial results a little better than market expectations.

The Board remains confident that the Company is underpinned by very solid financials, a large and loyal database, and a proven business model. There will understandably be continued focus in the short term on both profit and cash generation to support and strengthen our platform as we then to look to further business development opportunities and growth.

Expected Timetable of Events

2022

Announcement of these proposals	07:01 a.m. 16 June
Publication of the Circular	16 June
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 30 June
Latest time and date for receipt of Forms of Acceptance and TTE Instructions from CREST Shareholders	1.00 p.m. on 1 July
Record Date for the Tender Offer	6:00 p.m. on 1 July
General Meeting	11:00 a.m. on 4 July
Announcement of Result of GM and Tender Offer	4 July
Completion of purchase of Ordinary Shares under the Tender Offer	6 July
Cheques dispatched for certificated Ordinary Shares purchased pursuant to the Tender Offer and payment through CREST for uncertificated Ordinary Shares purchased pursuant to the Tender Offer	On or by 15 July

Enquiries:

Best of the Best plc	William Hindmarch, Chief Executive Rupert Garton, Commercial Director	T: 020 7371 8866
Buchanan	Chris Lane Toto Berger	T: 020 7466 5000
Oakvale Capital (Financial Adviser)	Daniel Burns Kieran Davey	T: 0207 580 3838
finnCap (Nominated Adviser and Broker)	<i>Corporate Finance</i> Carl Holmes Kate Bannatyne Teddy Whiley <i>ECM</i> Alice Lane	T: 020 7220 0500

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014 Please visit www.botb.com for further information