B Share scheme UK capital gain worked example

IMPORTANT NOTE: The following document contains information and examples intended to offer guidance on the calculation of the UK capital gain on redemption of the Company's B Shares.

The information below does not constitute legal or tax advice and is intended only as a general guide to United Kingdom legislation and HMRC published practice (which are both subject to change at any time, possibly with retrospective effect). The information is not exhaustive and relates only to certain limited aspects of the United Kingdom taxation treatment of the B Share Return and is intended to apply only to Shareholders who (i) are resident solely in the United Kingdom for United Kingdom tax purposes (and not subject to the foreign income and gains regime), (ii) who are, and were the absolute beneficial owners of their Ordinary shares and B Shares (iii) who hold, or held, them as investments (and not as securities to be realised in the course of a trade) (otherwise than through an Individual Savings Account or a pension arrangement) and (iv) in the case of individuals, who are not Scottish or Welsh taxpayers and to whom split year treatment does not apply. The information above may not apply to certain Shareholders, such as, but not limited to, dealers in securities, insurance companies, collective investment schemes, Shareholders who are exempt from taxation, Shareholders who have (or are deemed to have) acquired their Ordinary Shares or B Shares by virtue of an office or employment and Shareholders who provide investment management services to the Company or any affiliated entities. The position may be different for future transactions.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate professional adviser.

For the purposes of United Kingdom taxation of capital gains and corporation tax on chargeable gains ("Capital Gains Tax"), the issue of B Shares constitutes a tax-free reorganisation of the share capital of the Company. Accordingly,

(i) Shareholders receiving B Shares should not be treated as having made a disposal of all or any part of their holding of existing ordinary shares in the capital of the Company (the "Ordinary Shares"); and

(ii) the B Shares received by a Shareholder should, together with their existing holding of Ordinary Shares be treated as the same asset as a Shareholder's existing holding of Ordinary Shares, and as having been acquired at the same time, and for the same consideration, as the Shareholder's holding of existing Ordinary Shares was acquired.

IMPORTANT NOTE: Shareholders should be aware that the numbers used below are for illustrative purposes only and are not reflective of actual values.

Step 1: Determine the base cost of Ordinary Shares currently held by a shareholder

The first calculation should be the base cost of Ordinary Shares immediately prior to the issue of B Shares.

In this document, the following share acquisitions shall be used as a worked example for Shareholder X:

Share acquisition date	Number of existing Ordinary Shares acquired	Acquisition price per share	Total acquisition price
June 2021	100,000	180 pence	£180,000
January 2022	50,000	295 pence	£147,500
Total	**150,000**		**£327,500**

The base cost of Shareholder X's Ordinary Shares immediately prior to the issue of B Shares is equal to the total acquisition price of those shares, being £327,500.

Step 2 – Determine the value of the B Shares

Shareholder X was issued with 1 B Share for every 10 Ordinary Shares held. Therefore, Shareholder X was issued with 15,000 £1 B Shares as a result of holding 150,000 Ordinary Shares.

Due to the terms on which the B Shares were issued and subsequently redeemed, and as they were unlisted and non-transferable, their market value has been assessed as equal to their nominal value of £1 on 13 November 2025.

Step 3 – Calculate the base cost of the B Shares

A Shareholder's combined holding of Ordinary Shares and B Shares should have the same aggregate base cost as the Shareholder's holding of Ordinary Shares immediately before the issue of B Shares. The aggregate base cost should be apportioned between B Shares and the Ordinary Shares held by a Shareholder by reference to the market values of the Ordinary Shares and the B Shares on the first day of trading after the issue of B Shares, which is considered to be 13 November 2025.

The aggregate base cost of the Ordinary Shares which should be apportioned against the B Shares redemption proceeds ("Apportionment ratio") is 2.6%, calculated as follows:

Class of share	Market value on first day of trading (pence per share)	Relevant ratio used for the issue of B Shares	Relevant value (pence per share)	Relevant percentage
Ordinary Share*	379	10	3790	97.4293% (3790 / 3890)
B Share	100	1	100	2.5707% (100 / 3890)
Total			**3890**	**100.0%**

** The lower of the two prices for an Ordinary Share shown in the London Stock Exchange Daily Official List for 13 November 2025 as the closing price for an Ordinary Share on that day plus one-half of the difference between those two figures in accordance with SI 2015/616.*

The following calculation can therefore be used to determine the base cost of the B Shares:

Base cost of Ordinary Shares held immediately prior to the B Share issue x Apportionment ratio

Shareholder X's base cost of the B Shares is therefore £8,419 (being £327,500 x 2.5707%).

Please note that the base cost allocated to the B Shares will reduce the aggregate base cost of the Ordinary shares for future share disposals. For the purposes of calculating any capital gain on a future disposal of Ordinary shares, the remaining base cost of the Ordinary shares is calculated as the base cost of the Ordinary Shares in step 1 **less** the base cost of the B Shares in Step 3.

Step 4 – Calculate the capital gain/loss on the redemption of the B Shares

The B Shares were immediately redeemed at £1 per share after issue, resulting in B Share redemption proceeds of £15,000.

The following calculation can be used to calculate the capital gain or loss arising on the redemption of the B Shares:

B Share redemption proceeds – base cost of B Shares

Shareholder X's capital gain is therefore £6,581 (being £15,000 - £8,419).

Any capital gain arising on the redemption of the B Shares may be reduced, depending on the availability of your annual capital gains tax exemption and any other tax reliefs.

IMPORTANT NOTE: This note does not constitute tax advice and this example is for illustrative purposes only. You should seek appropriate advice when completing any tax return which reflects any matters for which the apportionment is relevant.