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If you have sold or otherwise transferred all of your Ordinary Shares prior to the date on which the Ordinary Shares were market “ex” by the London Stock Exchange plc (“**London Stock Exchange**”), please forward this document, but not the accompanying personalised Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee.

This document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of Section 21 of FSMA.

The Directors (whose names and functions appear on page 9 of this document) and the Company accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (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.

IMMOTION GROUP PLC

(a public limited company incorporated in England and Wales with registered number 10964782)

**Proposed disposal of Immotion Studios Limited, Immotion VR Limited and
C.2K Entertainment Inc.**

and

Change of name

and

Notice of General Meeting

You are recommended to read the whole of this document, but your attention is drawn, in particular, to the letter from the chairman of the Company which is set out on pages 10 to 17 (inclusive) of this document. This letter recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. The Directors of Immotion Group plc accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. The Company and the Directors, whose names appear on page 9 of this document, accept responsibility 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 in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

Notice convening a General Meeting of the Company, to be held at St. James Room 1, 116 Pall Mall, St. James’s, London, SW1Y 5ED on 21 February 2023 at 10.00 a.m., is set out at the end of this document.

If you hold your Ordinary Shares in certificated form, whether or not you plan to attend the General Meeting, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post or, during normal business hours only, by hand, at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, by no later than 10.00 a.m. on 17 February 2023 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

If you hold your existing Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST

Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company’s agent (CREST ID: 7RA11) by no later than 10.00 a.m. on 17 February 2023 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)). The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

The distribution of this document and/or any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law or regulation and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This document should not be distributed, forwarded to or transmitted in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Copies of this document are available, free of charge, at the office of Immotion Group plc at Cumberland Court, 80 Mount Street, Nottingham, NG1 6HH and on the Company’s website <https://immotion.co.uk>.

Cenkos Securities plc (“**Cenkos**”) is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any other matter referred to herein. No representation or warranty, express or implied, is made by Cenkos as to any of the contents of this document, and Cenkos has not authorised the contents of any part of this document and neither accepts any liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Cenkos may have under FSMA or the regulatory regime established thereunder.

Cenkos is also acting as nominated adviser to the Company. Its responsibilities as the Company’s nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

This document contains statements about Immotion Group plc that are or may be deemed to be “forward-looking statements”.

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of Immotion Group plc.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors (including, without limitation, the form, and timing, of the global recovery following the COVID-19 pandemic) which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Code, the Prospectus Rules and/or the

FSMA), Immotion Group plc does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Immotion Group plc or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of Immotion Group plc at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event

Announcement of the Proposals	2 February 2023
Publication of this document and Form of Proxy	2 February 2023
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 17 February 2023
General Meeting	10.00 a.m. on 21 February 2023
Announcement of the result of the General Meeting	21 February 2023
Expected completion date of the Proposed Transaction	Around 22 February 2023

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the Form of Proxy unless the context requires otherwise:

“Announcement”	the announcement issued by the Company on 2 February 2023.
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“B2B”	Business to business
“Board” or “Directors”	the directors of the Company whose names are set out on page 9 of this document
“Business Day”	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
“Buyer”	LBE BidCo, Inc. a company registered in the State of Delaware with number 7143309 and whose principal place of business is at 27th Floor, 40 Fulton Street, New York, New York 10038, United States of America
“C.2K”	C.2K Entertainment, Inc., a corporation registered under the laws of the State of California and whose principal place of business is at 1067 Gayley Avenue, Los Angeles, CA 90024, United States of America
“C.2K Inter-Company Balance”	the sum of \$5.5m owed by C.2K to the Company as at 1 February 2023.
“Cenkos” or “Broker”	Cenkos Securities plc, nominated advisor and broker to the Company
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (that is, not in CREST)
“Change of Name”	the proposed change of name of the Company to Let’s Explore Group plc
“Code”	the City Code on Takeovers and Mergers
“Company” or “Immotion Group”	Immotion Group plc, a company incorporated in England and Wales with registered number 10964782
“Completion”	completion of the SPA in accordance with its terms
“Completion Date”	the date of Completion
“Conditions”	conditions of the SPA in accordance with its terms
“COVID-19”	SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease or COVID-19, including any evolutions or mutations of the COVID-19 disease or any further epidemics or pandemics arising therefrom
“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
“Disposals”	the disposals of the entire issued share capitals of ISL and IVL and the disposal of the entirety of the common stock of C.2K to the Buyer pursuant to the terms of the SPA
“Estimated Completion Payment”	the amount of \$23,961,739
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Financial Conduct Authority” or “FCA”	the Financial Conduct Authority (and its predecessor, the Financial Services Authority) in its capacity as the competent authority for the purposes of Part VI of FSMA

“Form of Proxy”	the enclosed form of proxy for use by Shareholders in connection with the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 21 February 2023 (or any reconvened meeting following any adjournment of the general meeting) at St. James Room 1, 116 Pall Mall, St. James’s, London, SW1Y 5ED, notice of which is set out at the end of this document
“Group” or “Group Company”	the Company and/or any or all of its existing subsidiaries and subsidiary undertakings
“HBE”	the Group’s home-based entertainment business conducted through LEM
“IPO”	the admission of the entire issued share capital of the Company to trading on AIM on 12 July 2018
“ISL”	Immotion Studios Limited, a private limited company registered under the laws of England and Wales with company number 03958635, and whose registered office is at Kingswood House South Road, Kingswood, Bristol, England, BS15 8JF
“IVL”	Immotion VR Limited, a private limited company registered under the laws of England and Wales with company number 10697809, and whose registered office is at Kingswood House South Road, Kingswood, Bristol, England, BS15 8JF
“Interim Results”	the unaudited interim consolidated financial statements of the Group for the six months period ended 30 June 2022
“LEG”	Let’s Explore Group Limited, a private limited company registered under the laws of England and Wales with company number 11054174, and whose registered office is at Kingswood House South Road, Kingswood, Bristol, England, BS15 8JF, formerly known as Immotion Limited
“LEM”	Let’s Explore Media Limited a private limited company incorporated in England and Wales with registered number 12798774 whose registered office is at Kingswood House South Road, Kingswood, Bristol, England, BS15 8JF
“LBE”	the Group’s location-based entertainment business (conducted through ISL, IVL and C.2K)
“LBE Companies”	ISL, IVL and C.2K
“Loan Notes”	the \$1,250,000 unsecured six percent (6%) fixed rated guaranteed loan notes issued by the Buyer pursuant to the SPA
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	5.00 p.m. on 6 March 2023
“Market Abuse Regulation”	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and the European Securities and Markets Authority) as retained in the UK pursuant to section 3 of the European Union (Withdrawal) Act 2018
“Notice” or “Notice of General Meeting”	the notice of the General Meeting set out at the end of this document
“Ordinary Shares”	ordinary shares of 0.040108663 penny each in the share capital of the Company

“Proposals”	the Proposed Transaction and the subsequent plans as set out in this document
“Proposed Transaction”	the proposed Disposals
“Registrar”	Neville Registrars Limited, registrars to the Company
“Regulatory Information Service”	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
“Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
“Restructuring”	the restructuring of the Group prior to Completion
“Sellers”	the Company and LEG
“Share Option Scheme”	the Company’s share option scheme adopted by Shareholders on 9 July 2018
“Shareholders”	holders of Ordinary Shares
“SPA”	the conditional sale and purchase agreement for the disposals of the entire issued share capitals of ISL and IVL and the disposal of the entirety of the common stock of C.2K to the Buyer dated 1 February 2023
“Uncertificated” or “In Uncertificated Form”	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“USA”	the United States of America
“Uvisan”	Uvisan Limited a private limited company incorporated in England and Wales with registered number 13625972 whose registered office is at Kingswood House South Road, Kingswood, Bristol, England, BS15 8JF
“VR”	Virtual reality
“£”, “pounds sterling”, “penny” or “pence”	UK pounds sterling, the lawful currency of the United Kingdom
“\$” or “dollars”	USA dollars, the lawful currency of the USA

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Sir Robin Miller (Non-Executive Chairman) Martin Higginson (Chief Executive Officer) David Marks CA (Group Finance Director) Rodney Findley (Group Commercial Director) Nicholas Lee ACA (Non-Executive Director)
Registered Office	Cumberland Court 80 Mount Street Nottingham NG1 6HH
Company Secretary	Daniel Wortley, ACMA
Company website	https://immotion.co.uk/
Nominated Advisor	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
Solicitors to the Company	Freeths LLP 3 rd Floor 100 Wellington Street Leeds LS1 4LT
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

LETTER FROM THE CHAIRMAN

IMMOTION GROUP PLC

(a public limited company incorporated in England and Wales with registered number 10964782)

Directors:

Sir Robin Miller (Non-Executive Chairman)
Martin Higginson (Chief Executive Officer)
David Marks CA (Group Finance Director)
Rodney Findley (Group Commercial Director)
Nicholas Lee ACA (Non-Executive Director)

Registered Office:
Cumberland Court
80 Mount Street
Nottingham
NG1 6HH

2 February 2023

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

Dear Shareholder,

Proposed disposal of Immotion Studios Limited, Immotion VR Limited and C.2K Entertainment Inc.

and

Change of name

and

Notice of General Meeting

1. Introduction

The Board of Immotion Group PLC (“Immotion”, the “Company” or the “Group”) announced on 2 February 2023 that it and its subsidiary, Let’s Explore Group Limited (“LEG”) had entered into a conditional sale and purchase agreement, for the sale the entire issued share capital of Immotion Studios Limited and Immotion VR Limited and the entirety of the common stock C.2K Entertainment Inc. which together form the Group’s location-based entertainment business, to the Buyer.

The consideration for the Disposals is \$25,211,739 on a cash free/debt free basis, to be satisfied by the payment of \$23,961,739 in cash at completion (subject to any final working capital, cash and indebtedness adjustments) and the issue of the Loan Notes to the Company. Of the \$23,961,739 cash to be received on Completion (subject to any estimated working capital, estimated cash and estimated indebtedness adjustments), \$5.5m is being paid to the Company to repay the C.2K Inter-Company Balance. Further details of the structure of the payments to the Group are set out in section 5 of this letter below.

In accordance with AIM Rule 15, the Disposals constitute a fundamental change of business of the Company, requiring the approval of a majority of Shareholders at the General Meeting before it can proceed as set out in Resolution 1. Furthermore, a condition of the Disposals is that LBE and the Buyer retains the “Immotion” name. Accordingly, for the Disposals to complete, Shareholders are also being asked to approve Resolution 2 to change the name of the Company from Immotion Group plc to Let’s Explore Group plc.

Accordingly, completion of the SPA is conditional upon, amongst other conditions, approval by the Shareholders by the passing of Resolutions 1 and 2 at the General Meeting.

The purpose of this document is to provide Shareholders with the background to the Disposals, and to explain why the Directors consider the Disposals to be in the best interests of the Company and its Shareholders as a whole, and why they recommend that Shareholders should vote in favour of the Resolutions to be proposed at the General Meeting.

A notice convening a General Meeting for 10.00 a.m. (London time) on 21 February 2023 at St. James Room 1, 116 Pall Mall, St. James’s, London, SW1Y 5ED, to consider the Resolutions is set out at the end of this document.

2. Background to the Transaction

Immotion was formed in 2017 by Martin Higginson and David Marks for the purpose of delivering immersive entertainment via virtual reality technology and related content and was listed on the AIM market on 12 July 2018.

The Company is formed of three divisions: Location Based Entertainment, Home Based Entertainment and Uvisan with the latter two divisions being formed at or around the time of the COVID-19 pandemic, when the LBE business was heavily impacted by COVID-19 restrictions. Having stated its intention to dispose of Uvisan and seek investment for HBE, the Group's continuing operations for 2022 solely comprise the LBE business.

Whilst the Group has grown strongly since IPO, it was, like many businesses in the leisure sector, negatively impacted by the COVID-19 pandemic, and its growth and finances impacted severely. Despite the LBE business growing strongly this has not been reflected in the Company's share price.

LBE

The LBE business ended the year to 31 December 2022 slightly ahead of the Board's expectations of 500 installed headsets at 512.

The first three zoo installations featuring the new 'Gorilla Trek' offering were installed in Q3, with Dallas Zoo taking the first new modular solution in the final quarter.

The Company has also signed a new 3-year framework agreement (running through to 31 December 2025) with Merlin, covering the 26 Merlin sites at which the LBE business has already installed or agreed to install a Virtual Reality (VR) attraction.

On the basis that LBE had remained the sole continuing operation (excluding the performance of HBE and Uvisan), the Group would have expected (subject to audit) to report revenue of circa £10.3m and EBITDA of circa £1.4m (net of central costs) for the year to 31 December 2022.

Whilst the Board believes that considerable growth opportunities are available to the LBE business, it is of the view that as a result of the current and continuing challenges presented by the macroeconomic environment, not least the cost-of-living crisis and inflationary pressures in the USA and UK, the trading environment could become far more challenging. In addition, to accelerate growth of the LBE business further capital may be required. The Board is doubtful that debt finance could be secured on acceptable terms and it is unwilling to seek to raise further equity capital at the Company's current valuation. Accordingly, and in order to minimise risk for Shareholders and provide a significant liquidity event in highly uncertain markets, the Board has decided to pursue the Disposals.

The Disposals value the LBE business, at \$25,211,739 (approximately £20.5m) on an enterprise value basis, ignoring any value attributed to the HBE business, or approximately 4.9p per existing Ordinary Share in the Company.

HBE and Uvisan

In the Company's full year results to 31 December 2021, the Group informed Shareholders that it intended to spin out the HBE and Uvisan businesses. Accordingly, and for the purposes of the Interim Results, Uvisan and HBE were treated as discontinued operations.

At the time of the Interim Results, the Board updated Shareholders that an in principle agreement (subject to contract) had been reached to sell Uvisan for an estimated cash consideration of £100k and that an in principle agreement had been reached for a £250k injection of capital into the HBE business by a third party, in return for 51% ownership of that business).

Following the publication of the Interim Results, the negotiation concerning the Disposals has presented an opportunity for the Company to realise meaningful cash proceeds, enabling the Board to review its strategic options particularly in respect of HBE. Based on levels of product sales, the Board has always considered that HBE has significant potential and since the Interim Results, HBE has developed, and honed its business model further to have a greater B2B focus, undertaking a number of successful trials via its distribution partner, Wicked Vision, with QVC, a major global shopping channel. It has also seen success in getting its products, namely Let's Explore Oceans and Vodiak stocked by a number of premium retailers, including Amazon, Selfridges, Hamleys, Dixons and Fraser Group.

HBE has two key products. "Let's Explore Oceans" is an educational VR pack that includes a smartphone-powered VR headset, holographic cube and a hardback book. Users have access to a number of oceanographic VR experiences as well as a selection of augmented reality experiences through the holographic cube.

The second product, Vodiac, is an affordable smartphone-powered VR headset and companion app which provides the user with 75 different virtual reality experiences to try across seven channels: Adrenaline, Explore, Wonders, Documentaries, Family, Relaxation and Thrills.

HBE's simplified business model has allowed it to reduce direct overheads and the board believes that the focus on B2B sales lowers the risk profile of the business and gives confidence in making the necessary stock investment to grow the business.

In the period following the Interim Results, QVC undertook a small trial in the UK selling some 3,000 Vodiac units in a single demonstration. The success of this led to a test in the USA, where 4,000 units were sold in a matter of hours, plus a 'Today's Special Value' promotion on QVC UK, where 23,000 units, some £800k of sales, were sold in a 24 hour period. Sales of the Let's Explore Oceans packs have been buoyant through both Amazon, and direct to consumers, with this line selling out in Q4 2022.

Talks with our distribution partner are already underway about significantly larger orders for 2023 and beyond. Accordingly, the Board is of the view that following Completion and with the necessary financial resources to invest in the business, HBE has significant opportunities available to it and as such, conditional upon Completion, it is in the best interests of Shareholders as a whole to retain the HBE in its entirety.

It has therefore been decided, in consultation with the investor, (a company in which Martin Higginson, and his family have a minority ownership interest) to alter the terms of the above mentioned investment of capital to become a loan. The loan capital has allowed the HBE business to purchase the Vodiac stock sold in Q4 2022, in the process confirming to management that the HBE business is worth retaining.

3. Related Party Transaction

Uvisan, which is considered de minimis and does not fit with the company's future objectives, has now been sold for consideration of £100,000 to a group of investors (including Uvisan management) that includes family members of David Marks. The participation in this transaction by David Marks' family is considered to result in a related party transaction under AIM Rule 13 of the AIM Rules for Companies due to David Marks being a director of the Company. The Directors of the Company independent of Mr Marks consider, having consulted with Cenkos Securities PLC, the Company's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as the Company's Shareholders are concerned.

4. Use of proceeds

Following Completion, the Group expects to have approximately £20m of cash net of transaction-related fees and inclusive of the Loan Notes which are payable on the 12-month anniversary of Completion (subject to exchange rate fluctuations, completion and other contractual adjustments).

Subject to the above and following consultation with certain of its significant Shareholders, it is the Directors' intention to return circa £13.5m of the net proceeds of the Disposals to Shareholders (equating to approximately 3p per share), subject to definitive legal and tax advice being sought, with the Board intending to retain approximately £6.5m of cash within the Company. Shareholders already consulted by the Board, are supportive of the Company retaining a proportion of the funds raised from the Proposed Transaction to explore investing in other opportunities.

The Board believes that there are considerable opportunities to use its skills to not only grow the HBE business, but to create a high growth trading group through strategic acquisitions. It believes the current landscape is 'capital constrained' and that there are established trading businesses that have proven their business model, but lack growth capital. The management's depth of knowledge both in terms of digital and media marketing, along with financial investment and restructuring, and the ability to perform at speed, makes it well placed to deliver opportunities to deliver enhanced Shareholder value. One such acquisition has already been identified which the Board will, once the Proposed Transaction is complete, consider proceeding with.

As soon as practicable post Completion, a further circular will be sent to Shareholders setting out the procedure and mechanism for returning the majority of the cash proceeds to Shareholders and requesting the necessary Shareholder authorities.

5. Summary of the SPA

The Company entered into a conditional sale and purchase agreement with the Buyer on 1 February 2023.

Pursuant to the SPA, the Company is proposing to sell the entirety of the common stock of C.2K and the entire issued share capital of ISL and LEG is proposing to sell the entire issued share capital of IVL, to the Buyer. The enterprise value payable for the Disposals is \$25,211,739, subject to customary final adjustments, to be satisfied by the payment of \$23,961,739 in cash and the issue of the Loan Notes to the Company in respect of the common stock and shares of C.2K and ISL, respectively and \$1,250,000 paid to LEG in respect of shares of IVL (subject to any final working capital, cash and indebtedness adjustments). Of the \$23,961,739 cash to be received on Completion (subject to any final working capital, cash and indebtedness adjustments), \$5.5m is being paid to the Company to repay the C.2K Inter-Company Balance. It is the Board's view is that any final working capital, cash and indebtedness adjustments will not be material in the context of the Proposed transaction as a whole.

The principal terms of the SPA are as follows:

1. Conditions – Completion of the SPA is conditional, *inter alia*, upon certain conditions (“Conditions”): (a) the passing of Resolutions 1 and 2, at the General Meeting; (b) the Restructuring having completed; (c) the title and capacity warranties having not been breached and there being no material breach of the general and tax warranties; (d) the Company and LEG having complied with various ordinary course business undertakings during the period between exchange and completion in respect of the LBE Companies (as further described in 4 below); (e) there being no changes in law or any litigation that would prevent the Disposals; and (f) there being no event of material adverse effect.
2. Completion of the SPA – Completion must occur by the Long Stop Date for the fulfilment of the Conditions or such other time as may be agreed between the Company and the Buyer.
3. Automatic termination of SPA – The SPA automatically terminates if any of the Conditions have not been satisfied or waived by the Long Stop Date.
4. Termination by the Buyer – The Buyer may terminate the SPA at any time prior to Completion if: (a) there is a material breach of the SPA including the warranties; and (b) there has been a material adverse effect.
5. Termination by the Sellers – The Sellers have the right to terminate the SPA in the event that the Completion Payment is not paid by the Buyer at Completion.
6. Buyer fees – The Company has agreed to pay the Buyer \$200,000 (excluding any UK VAT that may be chargeable) in respect of its incurred professional fees and expenses in certain circumstances including a breach by the Company of any provisions of the SPA and if any of the Conditions in the SPA (including Shareholders not approving the resolutions required to effect the Disposals) have not been satisfied or waived by the Buyer by the Long Stop Date above (unless extended with the agreement between the Company and the Buyer).
7. Sellers fees – The Buyer has agreed to pay the Sellers \$200,000 (excluding any UK VAT that may be chargeable) in respect of its incurred professional fees and expenses if all the Conditions are satisfied and the Buyer does not pay the Estimated Completion Payment to the Sellers.
8. Pre-Completion undertakings – The SPA contains pre-Completion undertakings relating to conducting the LBE business in the ordinary course during the period between exchange and Completion including that prior to Completion the Sellers shall procure that the LBE Companies shall not: (a) acquire or dispose of any material assets; (b) change their share capital; (c) amend their constitutional documents (d) enter into any indebtedness or grant any security interests; (e) declare any dividends or distributions; (f) incur any material capital expenditure; (g) commence any material litigation or dispute and (h) engage or dismiss any key employees.
9. Consideration – The consideration for the Disposals (the “Consideration”) is \$23,961,739 in cash and the issue of the Loan Notes to the Company in respect of the common stock and shares of C.2K and ISL, respectively and \$1,250,000 paid to LEG in respect of shares of IVL. Of the \$23,961,739 cash to be received on Completion (subject to any estimated working capital, estimated cash and estimated indebtedness adjustments) \$5.5m is being paid to C.2K to repay the C.2K Inter-Company Balance.
10. Consideration Adjustment – The Consideration payable for the sale of C.2K, ISL and IVL is subject to adjustment based on a debt free/cash free calculation and normalised working capital which will be based on a completion statement (the “Completion Statement”) produced and agreed after Completion between the Company and the Buyer or determined by an independent

third party accountant in the event that the Company and the Buyer are unable to agree the final Completion Statement. Following the calculation of the final working capital, the final cash and final indebtedness in the Completion Statement as described in 9, 10 and 11 below, if: (a) the final consideration is more than the aggregate sum of the amount of cash paid on Completion and the Loan Notes, the Company will be entitled to an additional payment equal to such excess; and (b) the final consideration is less than the aggregate of the sum of the amount of cash paid on Completion and the Loan Notes, the Company will have to pay to the Buyer an amount equal to the shortfall.

11. Working capital adjustment – The Consideration is subject to potential adjustment based on an estimated amount of working capital at Completion. Following agreement or determination of the Completion Statement, in the event that: (a) the final working capital is greater than the estimated working capital, the amount of the Consideration due to the Company will be increased; and (b) the final working capital is less than the estimated working capital, the amount of the Consideration due to the Company will be reduced.
12. Cash adjustment – The cash is subject to an adjustment based on an estimated amount of cash at Completion. Following agreement or determination of the Completion Statement, in the event that: (a) the final agreed cash is greater than the estimated cash, the amount of the Consideration due to the Company will be increased; and (b) the final agreed cash is less than the estimated cash, the amount of the Consideration due to the Company will be reduced.
13. Indebtedness adjustment – The indebtedness is subject to adjustment based on an estimated amount of indebtedness at Completion. Following agreement or determination of the Completion Statement, in the event that: (a) the final indebtedness is greater than the estimated indebtedness, the amount of the Consideration will be reduced; and (b) the final indebtedness is less than the estimated indebtedness, the amount of the Consideration will be increased.
14. Loan Notes repayment – The Loan Notes are due for repayment on the 12-month anniversary of Completion.
15. Loan Note coupon – The Loan Notes attract an annual coupon of 6%.
16. Guarantee – The LBE Companies will, by a separate deed, guarantee the payment of the Loan Notes in the event of default by the Buyer.
17. Warranties and Indemnities – Subject to the limitations in paragraph 21 below, the SPA contains standard warranties and limited indemnities typical for a transaction of this nature.
18. Set-off – The Buyer has the ability to set-off claims made under the SPA primarily against the Loan Note but if the claims do not relate to the warranty, tax, or indemnity claims then the claims may be made against the Company and/or LEG, if they are above the value of the Loan Note.
19. Tax Covenant – The SPA contains a tax covenant in a usual form for transactions of this nature.
20. Limitations – The liability of the Sellers under the SPA for warranty claims (including tax warranty claims), tax covenant claims and indemnity claims is limited to \$1.25m in aggregate. The time period during which a claim must be made is within 12 months of Completion. All other claims made under the SPA are limited to the consideration actually received for the Disposals by the Company and LEG.
21. Post-Completion restrictions – For a period of 3 years after Completion, the Sellers cannot:
 - a. be concerned or interested in a business which competes with the LBE Companies;
 - b. do anything to harm the goodwill of any of the LBE Companies which may lead to a customer to stop dealing with any LBE Company;
 - c. in competition with the LBE Companies, obtain orders from a customer of the LBE Companies;
 - d. seek to disrupt or interfere with the supplies to any of the LBE Companies from a supplier to them who was so in the period of 12 months prior to Completion;

- e. use the Immotion name or any other intellectual property transferred to the Buyer other than certain VR experiences which will be licensed to the HBE for use in the Let's Explore Oceans and Vodiac products; and
- f. solicit senior employees with a view to them being employed by a third party or to terminate their employment with any of the LBE Companies;

subject to certain agreed carve outs.

- 22. Transitional services agreement – At Completion the Company and the LBE Companies will enter into a transitional services agreement whereby the Company will provide certain services to the Buyer and the LBE Companies for a period of 9 months after Completion including: (a) accounting and finance support; and (b) transition and handover support.

6. Information on the Buyer

LBE BidCo, Inc. was incorporated by William Luby and James Collis for the purposes of making the acquisition. Ed Wise, former CEO of Omnicom Health Group, is also a part of the Investor group.

Mr. Luby and Mr. Collis have worked together for over 30 years in the private equity business with experience completing in excess of 100 acquisitions between them with a focus on the lower middle-market space. They have significant experience in investing in, and working with, companies in the media, entertainment and events sectors.

7. AIM Rule 15

In accordance with AIM Rule 15, the Disposals constitute a fundamental change of business of the Company. Accordingly, Shareholders are asked to vote in favour of the Disposals in Resolution 1. On Completion, the Company will consist of the trading business, activities and assets of the HBE business together with the cash proceeds from the Disposals.

8. Proposed Board Changes

It is intended that Rodney Findley will remain with the LBE business and therefore conditional on Completion, he will resign as director of the Company. The Board further intends that Dan Wortley, current Group Head of Finance will join the Board at the same time, subject to the necessary NOMAD due diligence process. David Marks will take on the role of Group Development Director which will allow Martin and David to focus on developing the HBE business and pursuing new growth opportunities for the Group.

Rodney Findley, Ken Musen and Alasdair Ritchie (senior employees who will remain with the LBE business), currently hold in aggregate approximately 21,657,193 Ordinary Shares in the Company, plus options over 13,283,833 Ordinary Shares on which a strike price of 2.5p is due to the company. (“the Leavers” and “Leaver Shares”). It is the Board’s intention to allow both Rodney Findley and Ken Musen to exercise all of their options, both vested and unvested, on a ‘good leaver’ basis. The Company will buy back the Leaver Shares for cancellation at a price of 3.65p per Share, total net of £943,252. The Company has entered into separate agreements with the Leavers for the Leavers to sell and the Company to buy for cancellation the Leaver Shares subject to the consent of Shareholders through the granting of the necessary authorities and the Company procuring, if necessary, Court approval for a capital reduction to provide the Company with sufficient distributable reserves.

9. Change of Name

As part of the Disposals, it has been agreed that the Immotion name be retained by the LBE business. Accordingly, the Board of Directors proposes to change the Group’s name from Immotion Group plc to Let’s Explore Group plc.

A special resolution will therefore be proposed at the General Meeting to approve the change of name of the Company to Let’s Explore Group plc conditional on Completion. The name will be changed as soon as possible after Completion once the relevant paperwork has been processed by Companies House.

If the Resolution 2 is passed at the General Meeting, the Company’s website and AIM ticker will be updated accordingly. The Company will update the market in due course of the new details.

10. Current Trading and Outlook

Whilst the Company has seen solid growth in the LBE business, the Directors believe that the Proposed Transaction demonstrates that its value is not reflected in the current share price, and they believe that the market is undervaluing the value of this business.

Whilst the Company is performing in-line with expectations, the Board believes that the Disposals represent a good price for the business in its current form and against the current market backdrop and enables the Board to provide Shareholders with a return of capital per share that is in excess of the current share price, as well as the opportunity to participate in further growth opportunities.

Meanwhile, as noted above, the HBE business has enjoyed success with both its “Let’s Explore Oceans” and Vodiac products. As set out above, both products sold out in Q4 2022. Notwithstanding the current good trading the HBE business is experiencing, the revenues for the year ended 31 December 2022 will be below the revenues for the year to 31 December 2021, this is as a direct result of the board not investing in further stock throughout 2022. As stated in previous announcements the decision was taken in early 2022 to utilise cash for the expansion of the core LBE business. The introduction of the £250,000 loan allowed the Company to purchase limited stock, and successfully explore new B2B opportunities. This has given the Board confidence, following the sale of the LBE business, to further invest in this business.

The Board believes that given the current economic headwinds, there is, through strategic acquisitions along with growth in the HBE, an opportunity to deliver significant Shareholder value. With the cash at its disposal, the Company believes it can deliver solid growth and an enhanced Shareholder position.

11. Irrevocable undertakings

The Company has received a number of irrevocable undertakings, representing 130,673,719 shares, or 31.4% of the issued share capital to vote in favour of the Resolutions.

12. Taxation

Any person who is in any doubt as to his or her tax position or who is subject to tax in a jurisdiction other than the United Kingdom, is strongly recommended to consult with his or her professional tax adviser immediately.

13. General Meeting

For the reasons explained herein, the Completion is conditional upon, *inter alia*, the approval by the Shareholders of Resolutions 1 and 2 to be proposed at the General Meeting of the Company.

A notice convening the General Meeting to be held at St. James Room 1, 116 Pall Mall, St. James’s, London, SW1Y 5ED on 21 February 2023 at 10.00 a.m. (London time) is set out at Part 2 of this document, at which the following Resolutions will be proposed:

Resolution 1 – this is an ordinary resolution that the Proposal Sales on the terms of the SPA be approved. If it is not passed, Completion under the SPA will not occur.

Resolution 2 – this is a special resolution which changes the current name of the Company to avoid confusion with ISL and IVL, as required under the terms of the SPA. If it is not passed, Completion under the SPA will not occur.

14. Importance of your vote

Resolution 1 and Resolution 2 must be passed by Shareholders at the General Meeting in order for the Proposed Transaction to proceed.

If Shareholders do not approve Resolution 1 or Resolution 2, the Proposed Transaction cannot be implemented, and in such circumstances, and failing any other offers for the Company, the Board will continue to operate the business in the way it has to date.

15. Copies of documents

A copy of this document and the Form of Proxy are and will be available free of charge for inspection on Immotion’s website at www.immotion.co.uk.

Copies of the buy back contracts with the Leavers will be available for inspection at the registered office of the Company for a period of 15 days ending with the date of the general meeting at which approval of the Shareholders is sought and at the general meeting itself.

16. Action to be taken

In respect of the General Meeting

Shareholders will find a Form of Proxy enclosed with this document 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 in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by the Company's Registrars, Neville Registrars Limited, by not later than 10.00 a.m. (London time) on 17 February 2023, or 48 hours (excluding any part of a day that is not a Business Day) before any adjourned General Meeting. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

17. Recommendation

The Board considers the Proposed Transaction to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board recommends that you vote in favour of the Resolutions, as those Directors who hold Shares intend to do in respect of their own beneficial Shareholdings.

Yours faithfully,

Sir Robin Miller
Non-Executive Chairman

PART 2

COMPANY NUMBER: 10964782

IMMOTION GROUP PLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Immotion Group plc (the “**Company**”) will be held at St. James Room 1, 116 Pall Mall, St. James’s, London, SW1Y 5ED at 10.00 a.m. on 21 February 2023 for the purpose of considering and, if thought fit, passing resolution 1 as an ordinary resolution and resolution 2 as a special resolution.

ORDINARY RESOLUTION

1. THAT, for the purpose of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc, the proposed Transaction (the “**Proposed Transaction**”) by Immotion Group plc (the “**Company**”) of the entire issued share capital of Immotion Studios Limited and the sale of the entirety of the common stock of C.2K Entertainment Inc. along with the sale by Let’s Explore Group Limited of the entire issued share capital of Immotion VR Limited on the terms and subject to the conditions set out in the share purchase agreement dated 1 February 2023 (the “**Share Purchase Agreement**”) between the Company, Immotion Limited and LBE Bidco, Inc., and related documentation to be entered into pursuant to the Share Purchase Agreement, be and is hereby approved with such amendments as the directors of the Company (the “**Directors**”) may in their absolute discretion approve, and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete or give effect to or otherwise in connection with the Proposed Transaction and any matter incidental to the Proposed Transaction.

SPECIAL RESOLUTION

2. THAT, subject to the passing of Resolution 1 above and the completion of the Proposed Transaction, the name of the Company be changed from Immotion Group plc to Let’s Explore Group plc.

By order of the Board

Daniel Wortley
Company Secretary

Registered Office:
Cumberland Court, 80 Mount Street,
Nottingham, NG1 6HH

Registered in England and Wales
No.: 10964782
Date: 2 February 2023

Notes:

Entitlement to attend and vote

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. However, members are encouraged to appoint the chairman of the meeting as their proxy. A proxy form, which may be used to make such appointment and give proxy instructions, accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 9 below.
3. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Neville Registrars Limited at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD no later than 10.00 a.m. on 17 February 2023 (or, in the event of any adjournment, no later than 10.00 a.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays excluded)), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
4. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in note 9(a) below) will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
6. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the company of the votes they may cast), members must be registered in the register of members of the Company by 6.00 p.m. on 17 February 2023 (or, in the event of any adjournment, 6.00 p.m. on the date which is two days before the time of the adjourned meeting (weekends and public holidays excluded)). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, 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).
8. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using 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. You may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrars (Crest Participant ID: **7RA11**) so that it is received no later than 10.00 a.m. on 17 February 2023. Please note the following:
 - (a) in order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 by the latest time(s) for receipt of proxy appointments

specified in this notice. 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 application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means;

- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 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; and
 - (c) 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. Shareholders can submit their vote electronically at www.sharegateway.co.uk by completing the authentication requirements on the website so as to be received by 10.00 a.m. on 17 February 2023 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)). Shareholders will need to use their personal proxy registration code (Activity Code), which is printed on the form of proxy, to validate the submission of their proxy online.
 11. As at the close of business on the date immediately preceding this notice, the Company's issued share capital comprised 415,538,083 ordinary shares. Each ordinary share carries the right to vote at the meeting and, therefore, the total number of voting rights in the Company as at close of business on the date immediately preceding this notice is 415,538,083.
 12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
 13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's registrars. In the case of a member which is a company, the revocation notice must be executed in accordance with note 12 above. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice and must be received by the Company's registrars not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the holding of the meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
 14. Any Shareholder attending the meeting has the right to ask questions. Pursuant to section 319A of the Act, the Company must cause to be answered at the meeting any question relating to the business being dealt with at the meeting that is put by a Shareholder attending the meeting, except in certain circumstances (for example if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information).