

SAROSSA PLC

(Incorporated in Jersey with registered number 115158)

Directors:

| | |
|----------------------|------------------------|
| Michael Bretherton | Chairman |
| Ross Hollyman | Non-executive director |
| Jonathan Morley-Kirk | Non-executive director |

Registered Office:

Floor 1 Liberation Station
The Esplanade
St Helier
Jersey
JE2 3AS

10 October 2017

Dear Shareholder,

Sarossa Plc (“the Company”) has today issued its Annual Report for the year ended 30 June 2017, a copy of which is available at the Company’s website www.sarossapl.com under the Investor Centre/Financial Reports section.

Annual General Meeting

On page 32 of that Annual Report, you will find a Notice of the Annual General Meeting to be held at 11.00 a.m. on 16 November 2017 at the Company’s registered office at Floor 1 Liberation Station, The Esplanade, St Helier, Jersey, JE2 3AS.

The Notice sets out the various resolutions that will be put to the meeting as summarised on the Form of Proxy (and explanatory notes) which is enclosed with this letter for your use.

Availability of Annual Report

In the interests of cost saving and environmental benefits, and as permitted by its articles of association, the Company does not intend to send a hard copy of the Annual Report to its shareholders, but has made this document available on its website and notified all shareholders of such by way of this letter.

Shareholders who wish to receive a hard copy of the Annual Report are entitled to require a copy to be sent within 21 days of the Company receiving a request to do so. Any shareholders requiring a hard copy should, therefore, write to the Company at its registered office address shown above or, alternatively, email: office@sarossapl.com with their name and postal address and their request.

Extracts from the Annual Report

Sarossa is an investment and management company whose principal activity is the investment in and growth and development of businesses which present opportunities for value creation. The Company is mainly focused on portfolio businesses with product and service platforms targeting major international markets through customers and partners with an international profile.

Financial Statements for the Company have been prepared for the year to 30 June 2017.

Corporate Events

On 10 May 2017, Richard Griffiths and his controlled undertaking Blake Holdings Limited (“Blake”) announced that Blake had increased its shareholding in Sarossa by acquiring a total of 51,950,000 ordinary shares in Sarossa (“Sarossa Shares”) at a price of 1 pence per share and on 11 May 2017, Blake announced that it had acquired a further 13,250,000 Sarossa Shares also at a price of 1 pence per share.

Following those share acquisitions and as is required by Rule 9 of the City Code, Blake subsequently issued a circular to Sarossa shareholders on 5 June 2017 containing an unconditional mandatory offer to acquire all or any Sarossa Shares at a cash price of 1 pence per share (the “Offer”). On 19 June 2017, the independent directors of Sarossa issued a response document to that Offer which included reasons to decline or accept the Offer.

The Offer closed on 26 June 2017 at which time Blake had received acceptances in respect of 29,995,712 Sarossa Shares and which increased Blake’s shareholding in Sarossa to 272,394,961 shares representing 58.96% of the Sarossa Shares in issue.

As a result, Sarossa is now also a controlled undertaking of Richard Griffiths who will, if he so wishes, be able to further increase his interests in Sarossa Shares without making another mandatory offer to the remaining shareholders. Richard Griffiths has indicated to the directors of Sarossa that he is considering measures to strengthen the board and the management of the Company and in the meantime will liaise with the board on a more regular basis with regard to investment proposals and strategic alternatives with a view to enhancing value creating opportunities for Sarossa’s shareholders.

Financial Review

Key performance indicators are set out below:

| | 30 June 2017 | 30 June 2016 |
|---|--------------|--------------|
| Net assets (£ million) | 13.73 | 10.86 |
| Net asset value per share (pence) | 2.97 | 2.35 |
| Profit/(loss) after tax (£ million) | 2.87 | (6.33) |
| Operating profit/(loss) (£ million) | 2.85 | 6.35 |
| Cash and short-term deposits with banks (£ million) | 4.65 | 2.88 |

Sarossa Plc ('Sarossa' or 'the Company') delivered a positive investment return from its quoted investment holdings during the financial year ended 30 June 2017, and generated a profit after tax for the year of £2.87 million compared to a loss of £6.33 million in the previous year.

The Company's overall cash and short-term deposits position increased by £1.77 million during the year. This increase mainly reflects £6.03 million generated from the disposal of investments, partially offset by £3.98 million spent on the purchase of additional shares in portfolio investments, together with other cash outflows of £0.28 million in respect of overheads, interest and working capital movements.

Net assets attributable to holders of Sarossa at 30 June 2017 were £13.73 million (equivalent to 2.97p per share) compared with £10.86 million (equivalent to 2.35p per share) at the previous year end. The increase in net assets per share reflects the profit generated for the year.

On behalf of the Board

Michael Bretherton

Chairman