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The Independent Directors, whose names appear on page 3 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 such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information. The Conflicted Director accepts responsibility for the information contained in this document apart from the recommendation set out in Part I. To the best of his knowledge and belief (having taken all reasonable care to ensure such is the case), the information contained in this document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

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Sarossa Plc

Response to the Mandatory Cash Offer

By

Blake Holdings Limited

(Incorporated and registered in Jersey with registered number 113725)

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Independent Directors set out in Part I of this document which states that they are unable to give a definitive recommendation to accept or reject the Offer and gives their reasons for this opinion.

ZAI, which is regulated by the Financial Services Authority, is acting as independent financial adviser to the Company, and no one else in relation to the Proposals and will not be responsible to any other person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any transaction or arrangement referred to herein.

This Document contains statements that are or may be forward looking with respect to the financial condition or business or beliefs concerning future events, affecting Sarossa and its investments. Such statements can be identified by the use of forward looking terminology such as “believe”, “anticipate”, “expect”, “prospect”, “estimated”, “should”, or “may” or the negative or other variations thereof, or comparable terminology indicating expectations. These forward looking statements are uncertain because they relate to events and depend on circumstances that may occur in the future. There are a number of factors which may cause outcomes materially different from those expressed or implied by such forward looking statements. Neither the company nor its Directors assume any obligation to update or correct this Document, whether as a result of new information or future events, or otherwise, except to the extent required by law or regulation.

The statements in this Document are made as of the date of this Document unless otherwise stated, in which case, publication of this Document shall not give rise to any implication that there has been no change since such earlier date. No statement in this Document should be interpreted as a profit forecast or estimate or as setting any limit or floor, on future earnings.

Subject to certain restrictions relating to persons resident in Restricted Jurisdictions, copies of this document and other information relating to the Offer, including the Offer Document are also available, free of charge, on Sarossa plc’s website www.sarossapl.com while the Offer remains open.

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DIRECTORS, SECRETARY AND ADVISERS

Independent Directors

Ross Hollyman (*Non Executive*)

Jonathan Morley-Kirk (*Non Executive*)

Conflicted Director

Michael Bretherton (*Chairman*)

Company Secretary

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Registered Office and business address

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Independent Adviser

ZAI Corporate Finance Limited

Eldon Street

London

EC2M 7LD

Solicitors to ZAI

Marriott Harrison LLP

11 Staple Inn

London

WC1V 7QH

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Offer period commencement	8th May 2017
Date of Offer Document	5th June 2017
Date of this Document	19th June 2017
First Closing Date	26th June 2017

SHARE CAPITAL STATISTICS

Number of Ordinary Shares in issue	462,008,478
Current holding of Ordinary Shares of The Blake Concert Party	252,987,514
Percentage of the Ordinary Shares held by The Blake Concert Party	54.76%
Current holding of Ordinary Shares of the Independent Directors	Nil

PART I: LETTER FROM THE INDEPENDENT DIRECTORS OF SAROSSA PLC

Sarossa Plc

Registered Office:

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

19 June 2017

Dear Shareholder

Mandatory Cash offer for Sarossa by Blake

Introduction

On 10 May 2017 Richard Griffiths and his controlled undertakings (including Blake) announced that Blake had acquired 51,950,000 Ordinary Shares at a price of 1p per share, under a purchase contract dated 8 May 2017. On 11 May 2017 Blake announced it had acquired a further 13,250,000 Ordinary Shares, also at a price of 1p per share and following which the Blake Concert Party was interested in a total of 252,987,514 Ordinary Shares representing 54.76% of the issued ordinary share capital, and voting rights, of Sarossa.

A result of those acquisition, as is required by Rule 9 of the Code, Blake has now made a mandatory cash offer for all of the Ordinary Shares that it does not currently own at an offer price of 1p per Ordinary Share. The Offer is unconditional.

Current trading

Sarossa is an investment holding and management company whose principal activity is investment in businesses which present opportunities for value creation. Sarossa continues to benefit from a sound balance sheet and as at the close of business on 15 June 2017, being the latest practicable date prior to publication of this letter, Sarossa has 5 portfolio investments, all of which are quoted and which had a total value of £9.45 million, based on their closing bid value on 15 June 2017. Taken together with cash and cash equivalent balances of £4.69 million, and working capital this gives an estimated net value of £14.08 million or 3.05 pence per Ordinary Share, of which 1.01 pence per Ordinary Share is in cash and cash equivalent balances. The calculation of the net asset value is set out in the table below:

<i>Company name</i>	<i>No. of shares</i>	<i>*Quoted market price (pence)</i>	<i>Valuation (£ million)</i>
Silence Therapeutics Plc	2,189,467	96.00	2.10
Plant Health Care Plc	7,894,240	29.00	2.29
Cambian Group Plc	2,000,000	169.50	3.39
Communis Plc	500,000	47.25	0.24
Avesoro Resources Inc	55,000,000	2.60	1.43
Investments			9.45
Cash balances			4.69
Investments and cash			14.14
Other working capital (estimate)			(0.06)
Net asset value			14.08
Net asset value per share			3.05p

*The quoted market prices listed above are the closing AIM bid prices as at the close of business on 15 June 2017.

Future Development of the Business

Blake now owns more than 50% of the Ordinary Shares and is in a position to exercise statutory control of the Company. The Directors have historically consulted with Blake on strategic issues, as they would with any major shareholder but further to the comments referred to in the following paragraphs, the Independent Directors believe that it is now Blake's intention to dictate the future strategy and development of the Company.

With reference to the Acquisitions, the Offer Document states that "the directors of Blake were of the view that an increase in Blake's shareholding in Sarossa to in excess of 50 per cent, would enable Sarossa to more successfully pursue future strategic alternatives which provide increased opportunities for value creation". From this and separate meetings with Richard Griffiths, a director and the controlling shareholder of Blake, the Independent Directors infer that it is not Blake's intention to liquidate the portfolio or to distribute the Company's funds to shareholders, as to do so would reduce the funds available for the Company to increase or create value.

The Independent Directors consider that being part of a larger organisation may lead to the Company having improved access to sources of debt and equity capital, enabling it to undertake a larger range of transactions. There can however be no assurances that this will be the case. In any event this should be a secondary consideration for investors, who must primarily weight their need for liquidity against the substantial discount to the net asset value that the offer represents.

In the opinion of the Independent Directors this strategy, if successfully implemented, should increase the value of the Ordinary Shares, but it is unlikely to provide Shareholders with an exit, or income for a significant period.

Management and employees

The Company currently has two employees, being the Chairman and the Company Secretary. Both have roles within Blake and are treated as acting in concert with the controlling Blake Concert Party. In addition the Company has two non executive directors.

Further, the Offer Document states that "following completion of the Offer, Blake intends to work with the management and employees of Sarossa to develop its assets. The first step to achieving this goal will be to complete its review of Sarossa's business and operations with the direct input of Sarossa's management. Since this analysis has not yet been completed, no decisions have been made by Blake. Furthermore, no discussions have been held between Blake and Sarossa in this regard. Until such review is completed, Blake cannot be certain what effect there will be on the employment of the management and employees of the combined group." There can, therefore, be no assurance given that the services of any of the Directors or employees will be retained or that any future directors of the Company will be independent of the Blake Concert Party.

In the opinion of the Independent Directors this strategy may increase the overall level of employment if a significant increase in funds available for investment can be achieved, but in the short to medium term, could reduce employment levels depending on the outcome of the proposed review.

City Code

Following the Acquisitions, the Blake Concert Party now owns 252,987,514 Ordinary Shares representing approximately 54.76% of the Ordinary Shares of the Company.

Rule 9 of the City Code ("Rule 9") is designed to prevent the acquisition of control of a company to which the City Code applies without a general cash offer being made to all shareholders of that company.

Under Rule 9 when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares (as defined in the Code) which (together with shares in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company or when a person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares

carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in shares which increases the percentage of shares carrying voting rights in which he is interested, that person, or persons acting in concert with him, is normally obliged to make a general offer to all shareholders at not less than the highest price paid by him, for shares of that class within the preceding 12 months.

The Acquisitions have resulted in the Blake Concert Party owning more than 50% of the Ordinary Shares and it now will be able to increase its holding of Ordinary Shares without making another offer for any of the Ordinary Shares which then remain outstanding.

Rule 8.3 Disclosures

Shareholders are directed to their disclosure obligations under Rule 8.3(a) of the City Code, as set out on page 3 of the Offer Document, a copy of which can be found at <http://www.sarossapl.com/content/investors/announcements.asp>

Recommendation of the Independent Directors

Under the rules of the Code, the Independent Directors are required to obtain independent financial advice on the Offer and to make known to Shareholders the substance of such advice and their own opinion on the Offer.

Michael Bretherton, who is Executive Chairman of Sarossa and a member of the Blake Concert Party, has not participated with the Independent Directors in the formulation of this advice to Shareholders and takes no responsibility for this section of this Document.

Having been so advised by ZAI, the Independent Directors are unable to provide Shareholders with a view as to whether the financial terms of the Offer are fair and reasonable for the reasons detailed below:

Reasons to decline the offer

- The Offer is at a substantial 67.2% discount to the net asset value of the company which is approximately 3.05p per share, of which 1.01p per share is held in cash. The Offer, therefore, attributes no value to the investment portfolio, the quoted price of which is £9.45m, or 2.04p per share at 15 June 2017. Even if the portfolio cannot be realised immediately, the Independent Directors believe that many of the shares comprising the portfolio have reasonable liquidity and that the Company could liquidate its portfolio over time and return value to the Shareholders.
- Richard Griffiths would appear to have a successful history of investing in and developing businesses, as set out in the Offer Document and following the Acquisitions, he is now in effective control of the Company and its future strategy.
- In order to benefit from any potential future increases in the net asset value of the Company, a shareholder would need to decline the offer.

Reasons to accept the Offer

- The Offer represents an opportunity for Shareholders to realise their investment for cash at a price of 1p per Share and without dealing costs.
- The Ordinary Shares are no longer traded on AIM and as such there is a limited forum in which Ordinary Shares can be bought and sold.
- The Company is now under the statutory control of the Blake Concert Party and it is not clear whether the services of the Independent Directors will be retained and if they are not, whether Blake has any intention to appoint independent replacements.
- As set out above the Independent Directors do not believe that Blake's plans for the Company include any distribution of its assets to Shareholders.

- Blake may, if it wishes, increase its holding in the Company without incurring any further obligation to make an offer to the Shareholders.
- Sarossa's current portfolio is invested in small cap stocks whose price fluctuations are generally wider than that of larger capitalised companies in times of volatility.
- The net asset value of Sarossa may decline rather than increase in the future. The Company's investments are currently all AIM listed and have experienced considerable levels of share price volatility over the last few years. In addition, two of the current investments are in pre-revenue, loss making businesses which may require further funding.

In the opinion of the Independent Directors, the decision as to whether or not to accept the Offer is essentially a personal one for shareholders, as, given the absence of any immediate prospect for realisation of their Shares once the offer closes, they must balance their desire for a cash realisation now or in the immediately foreseeable future, against the substantial discount to net assets being offered and the potential benefits of the closer involvement of the Blake Concert Party in the management of the Company.

Accordingly the Independent Directors are unable to give a recommendation to accept or reject the Offer.

Therefore having been so advised by ZAI, the Independent Directors recommend that Shareholders carefully consider their own individual circumstances in determining whether or not they should accept the Offer. In providing its advice to the Independent Directors, ZAI has taken into account the Directors' commercial assessments.

Shareholders should consider carefully the information set out above in making a decision as to whether to accept the Offer. If they are in any doubt about the action that they wish to take in respect of the Offer, they should consult an independent financial adviser without delay.

Further information

Your attention is drawn to the remainder of this document which provides additional information on the matters referred to above. Please also refer to the Company website where additional documentation can be found.

Yours faithfully

Ross Hollyman

On behalf of the Independent Directors

PART II: FURTHER INFORMATION IN RELATION TO THE OFFER

1. As at 15 June, being the last practical date before publication of this document the issued share capital of the company comprised of 462,008,478 Ordinary Shares.
2. The table below sets out details of the Shareholders who are presently known to be interested in more than 3% of the Company:

<i>Beneficial Owner</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares</i>
Blake Concert Party	252,987,514	54.76
David H Richardson	42,389,462	9.17

- 2.1. As at the close of business on 19 June 2017
 - 2.1.1. except as set out in paragraph 2 above, none of the Directors (including any members of such Directors' respective immediately families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any Relevant Sarossa Securities nor have any of them dealt in any Relevant Sarossa Securities since 9 May 2017;
 - 2.1.2. no Concert Party member had any interest in, or right to subscribe for, or had any short position in relation to, any Relevant Sarossa Securities, nor had any such party dealt in Relevant Sarossa Securities since 9 May 2017;
 - 2.1.3. no Note 11 Person had any interest in or right to subscribe for, or had any short position in relation to, any Relevant Sarossa Securities, nor had any such party dealt in Relevant Sarossa Securities since 8 May 2017;
 - 2.1.4. neither the Company nor any of the Directors (including any members of such Directors' respective immediate families, related trusts or connected persons) had any interest in or right to subscribe for, or had any short position in relation to any Relevant Blake Securities, nor have they dealt in any Blake Relevant Securities since 8 May 2017;
 - 2.1.5. the Company has not redeemed or purchased any Relevant Sarossa Securities during the disclosure period;
 - 2.1.6. neither the Company nor any person acting in concert with the company has borrowed or lent any Relevant Sarossa Securities; and
 - 2.1.7. neither the Company nor any person acting in concert with the Company has entered into any dealing arrangement in respect of the Shares.
- 2.2. The Company delisted from AIM on 1st February 2016 and its shares have not been quoted or traded on any exchange since that date.

3. Directors' letters of engagement and service contracts

- 3.1. On 28 November 2014 Mr Bretherton entered into a service agreement to be employed as full time Executive Chairman of the Company with effect from 7 November 2014. The service agreement is terminable on not less than six months' written notice given by either party. The service agreement contains provisions for early termination, *inter alia*, in the event of a breach by the Director. The basic annual salary payable to Mr Bretherton is £125,000. Mr Bretherton is also entitled to participate in any discretionary bonus scheme of the Company in accordance with the rules of such scheme from time to time, but would lose his entitlement if he left the Sarossa group of his own volition prior to the bonus payment date, was dismissed for cause or is on notice on the bonus payment date. Mr Bretherton is entitled to participate in any employee share scheme of the Company's from time to time in force in accordance with the rules of such scheme. He is not entitled to receive a contribution to his pension or any other benefits, although he is entitled to private medical cover under a scheme

introduced by the Company. Michael Bretherton agrees in the service agreement to comply with Sarossa's conflict policy. The service agreement contains clauses permitting secondment to and extending his directors' duties to other directorships held by him in the Sarossa group. The service agreement also contains restrictive covenants during his employment and following termination of his employment, and also contains a garden leave clause.

- 3.2. On 1 November 2014 Ross Hollyman entered into a Non-Executive Director letter of appointment directly with Sarossa. The Non-Executive Director letter of appointment is dated 28 November 2014 with effect from 1 November 2014 and can be terminated on not less than six months' notice given by either party to the other at any time. The letter of appointment contains provisions for early termination, *inter alia*, in the event of a breach by the Director and also contains restrictive covenants during his appointment. The basic fee payable to Mr Hollyman is £15,000 per annum.
- 3.3. On 19 March 2014 Jonathan Morley-Kirk entered into a Non-Executive Director letter of appointment with Sarossa with effect from 2 May 2014. The letter of appointment can be terminated on not less than six months' notice given by either party to the other at any time and contains provisions for early termination, *inter alia*, in the event of a breach by the Director and also contains restrictive covenants during his appointment. The basic fee payable to Mr Morley-Kirk is £15,000 per annum.
- 3.4. Save as set out in this paragraph 3, there have been no amendments to any of the Directors' service contracts in the six months prior to the date of this document.

4. Material contracts

- 4.1. No material contracts (being contracts otherwise than in the ordinary course of business) have been entered into by the Company within the two years immediately preceding the date of this document and are or may be material.

5. General

- 5.1. ZAI has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the reference to its name and in the form and context in which they appear.
- 5.2. Save as disclosed in this document there has been no significant change in the financial or trading position of Sarossa Group plc since 31 December 2016 (the date to which the last set of interim accounts have been prepared).
- 5.3. Addresses, electronic addresses and certain information provided by Shareholders, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to the Offeror during the offer period.

6. Documents for inspection

- 6.1 Copies of the documents listed below (items 6.2 to 6.6) will be available for inspection during normal business hours on any weekday (Saturday and public holidays excepted) for one month from the date of this document at the offices of ZAI, 15 Eldon Street, London EC2M 7LD and the accounts referred to in 6.4 below may also be viewed on the Company website at www.sarossapl.com
- 6.2 the Circular;
- 6.3 memorandum and Articles of Association of the Company;
- 6.4 unaudited interim accounts of the Company for the financial period ended 31 December 2016 and audited accounts of the Company for the year ended 30 June 2016;
- 6.5 the service contracts and letters of appointment of the Directors referred to in paragraph 4.1 above; and
- 6.6 the letter from ZAI giving the consent referred to in paragraph 5.1

PART III: DEFINITIONS

The following words and expressions shall have the following meanings in this document unless the context otherwise requires:

“Act”	the Companies Act 2006 (as amended)
the “Acquisitions”	The acquisition by Blake of 51,950,000 Ordinary Shares on 8 May 2017 and 13,250,000 Ordinary Shares on 9 May 2017.
“Acting in Concert”	has the meaning attributed to it in the City Code
“Arrangement”	any dealing arrangement which includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
“Blake” or “the Offeror”	Blake Holdings Limited, a company incorporated in Jersey under the Companies (Jersey) Law 1991 (as amended) with registered number 113725
“Blake Concert Party”	Mr R Griffiths, Mr Michael Bretherton, Mr James Ede-Golightly and Blake are deemed to be acting in concert.
“City Code” or “Code”	the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time)
“Company” or “Sarossa”	Sarossa Plc
“Concert Party”	Persons Acting in Concert with the Company
“Conflicted Director”	Michael Bretherton
“control”	means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give <i>de facto</i> control.
“dealing” or “dealt”	Trading or traded including the granting of any indemnity or option arrangements and entering into any agreement or understanding , formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing.
“derivative”	derived from, including any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying security;
“Directors” or “Board”	the Directors of the Company, whose names are set out on page 3 of this document
“Disclosure Date”	means 15 June 2017, being the latest practicable date prior to the posting of this document;
“Disclosure Period”	means the period commencing on 16 June 2016, being the date 12 months prior to the date of the posting of this document be;
“Exempt Principal Trader” or “Exempt Fund Manager”	has the meaning attributed to it in the City Code;

“Independent Directors”	Ross Hollyman and Jonathan Morley Kirk
“Interested” in relevant securities	Having an interest in relevant securities including where a person: <ul style="list-style-type: none"> (a) owns relevant securities; (b) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them; (c) by virtue of any agreement to purchase any option or derivative, has the right or option to acquire relevant securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (d) is party to any derivative whose value is determined by reference to its price and which results, or may result, in his having a long position in it;
“Note 11 Person”	A person who has entered into a dealing arrangement in respect of Shares with the Company or any Concert Party
the “Offer”	The offer by Blake to acquire Ordinary Shares on the terms set out in the Offer Document
The “Offer Document”	The document dated 5th June 2017, containing the Offer;
“Offer Price”	£0.01 per Ordinary Share;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“Relevant Blake Securities”	shares in any member of the Blake Concert Party (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
“Relevant Sarossa Securities”	shares in Sarossa Plc (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (included traded options) in respect thereof;
“Relevant Securities”	means relevant Sarossa Plc securities or relevant Blake securities;
“Restricted Jurisdiction”	the United States, Canada, Australia, Japan or any other jurisdiction where the distribution of this document may be restricted by law or regulation;
“Shareholders”	holders of Ordinary Shares;
“short position”	means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; an
“ZAI”	ZAI Corporate Finance Limited a company registered in England and Wales with company number 06814163 whose registered office is at 15 Eldon Street, London EC2M 7LD.

