

Sarossa Plc

(incorporated in Jersey with registered number 115158)

Directors:

Richard Griffiths – *Chairman*
Michael Bretherton – *Chief executive officer*
James Ede-Golightly – *Non-executive director*

Registered Office:

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

25 September 2024

Dear Shareholder,

Sarossa Plc (“the Company”) has today issued its Annual Report for the year ended 30 June 2024, 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 31 of that Annual Report, you will find a Notice of the Annual General Meeting to be held at 11.00 a.m. on 28 November 2024 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, the Company does not intend to send a hard copy of the Annual Report to all shareholders, but has made this document available on its website and notified all shareholders of such by way of this hard copy 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 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 2024.

Financial Review

Sarossa Plc (‘Sarossa’ or ‘the Company’) reported a net profit of £9.86 million for the year to 30 June 2024, compared to a net loss of £(3.48) million the previous year. The result included a gross investment gain of £10.62 million compared with an investment loss of £(2.72) million in the previous year coupled with unchanged administrative expenses of £(0.78) million and other income of £0.02 million in both years.

The gross investment gain of £10.62 million comprised unrealised gains of £9.80 million on the value of portfolio investments, inclusive of foreign exchange rate movements, together with realised investment gains of £0.26 million and dividends of £0.56 million (2023: investment loss of £(2.72) million comprised unrealised investment losses of £(3.29) million, realised investment gains of £0.48 million and dividends of £0.09 million).

A large element of the Company’s unrealised investment gains in the year arose on our U.S. listed Silence Therapeutics Plc investment. This follows unrealised losses incurred on that investment in the 2 previous years and which losses had fully reversed unrealised gains recorded in earlier years.

During the year, the Company spent £0.20 million on 1 follow-on portfolio investment and realised cash proceeds of £0.67 million on the partial disposal of 2 portfolio investments.

The Company currently holds 9 portfolio investments, 7 of which are quoted and 2 unquoted and for which the total carrying value at 30 June 2024 was £26.72 million (30 June 2023: £17.12 million represented by 7 quoted and 2 unquoted holdings).

Cash balances at 30 June 2024 amounted to £0.40 million (30 June 2023: to £0.13 million).

Net assets attributable to holders of Sarossa at 30 June 2024 were £27.13 million (equivalent to £678.82 per share) compared with £17.26 million (equivalent to £432.01 per share) at the previous year end. The increase in net assets per share reflects the profit recorded for the year.

Subsequent to 30 June 2024, Sarossa's cash balances were strengthened by receipt of proceeds of £0.98 million from the realisation in full of its investment in Plant Health Care Plc when this company was acquired by India-based PI Industries Ltd in August 2024.

Key performance indicators are set out below:

	30 June 24	<i>30 June 23</i>
Net assets (£ million)	27.13	17.26
Net asset value per share (£)	678.82	432.01
Profit/(loss) after tax (£ million)	9.86	(3.48)
Cash and cash equivalents (£ million)	0.40	0.13

Investment portfolio update

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

Investment businesses in which Sarossa has a holding of over 3 per cent. of the issued share capital or where the value of the investment is at least 5 per cent. of Sarossa's net asset value at 30 June 2024 comprised **Silence Therapeutics Plc, Niox Group Plc, Griffin Mining Limited, Amalfi Topco Limited** which holds **Caretech Holdings Limited** as its principal business subsidiary, **ZIGUP Plc** and **Plant Health Care Plc**.

An overview of the activities of the portfolio investment businesses in which Sarossa has a holding of over 3 per cent. or where the value of the investment comprises at least 5 per cent. of Sarossa's net asset value, is provided on pages 2 to 4 of the 2024 Annual Report.

Outlook

Continuing concerns over the impact of Russia's invasion of Ukraine and Israel's conflict in Gaza, together with increasing geopolitical tensions between the USA and China, all point to considerable uncertainties and risks going forward. In addition, the economic outlook is also still being impacted by high levels of government debt in much of the developed world and with growth expected to remain weak by historical standards.

These risks and concerns continue to make the current environment a challenging one for investors and your Board will, therefore, maintain a rigorous and highly selective investment approach with a view to delivering additional value for shareholders going forward. We are confident in the underlying fundamentals, technologies and long-term potential for growth at the businesses within our investment portfolio.

On behalf of the Board

Richard Griffiths
Chairman