

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Warpaint London plc, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible for onward transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares you should retain these documents.

The Existing Ordinary Shares are admitted to trading on AIM. Subject to the Resolutions being passed at the General Meeting, application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that admission of the New Ordinary Shares will become effective and that dealings will commence on 30 November 2017.

The issue of the Placing Shares pursuant to the Placing will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000, as amended, and, accordingly, this document does not constitute a prospectus for these purposes.

The Company and the Directors, whose names appear on page 4 of this document, accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge and belief of the Company and 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 does not omit anything likely to affect the import of such information.



Warpaint London plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 10261717)

Proposed acquisition of the entire issued and to be issued share capital of Retra Holdings Limited

**Proposed placing of 11,157,894 new Ordinary Shares at a price of
190 pence per share**

and

Notice of General Meeting

Stockdale 

Nominated Adviser and Broker

You should read the whole of this document. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 8 to 12 (inclusive) of this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to in this document. Whether or not you intend to attend the General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

This document should be read in conjunction with the Notice of General Meeting and Form of Proxy. Notice of a General Meeting of the Company, to be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN at 9.30 a.m. on 29 November 2017, is set out at the end of this document. Shareholders will find enclosed with this document a Form of Proxy for use in connection with the Resolutions to be proposed at the General Meeting. To be valid the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Company's Registrar, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA so as to be received as soon as possible but in any event no later than 48 hours (excluding non-working days) before the time fixed for the General Meeting, being 9.30 a.m. on 27 November 2017. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

Stockdale Securities Limited ("**Stockdale**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Stockdale will not be responsible to anyone other than the Company for providing the protections afforded to customers of Stockdale or for advising any other person on the arrangements described in this document. Stockdale has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Stockdale for the accuracy of any information or opinions contained in this document or for the omission of any information. No representation or warranty, express or implied, is made by Stockdale as to, and no liability whatsoever is accepted by Stockdale in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

The New Ordinary Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa nor will the New Ordinary Shares qualify for distribution under any of the relevant securities laws of the United States of America, Canada, Australia, Japan or the Republic of South Africa. Accordingly, subject to certain exceptions, the New Ordinary Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States of America, Canada, Australia, Japan or the Republic of South Africa.

Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action.

Any failure to comply with these restrictions may constitute a violation of relevant securities laws or regulations of the jurisdictions concerned.

It is the responsibility of any person receiving a copy of this document outside the United Kingdom to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Persons (including, without limitation, custodians, nominees and trustees) receiving this document should not distribute or send this document into any jurisdiction when to do so would, or might, contravene local securities laws or regulations.

This document does not constitute or form part of any offer or instruction to purchase, subscribe for or sell any shares or other securities in the Company nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract therefor.

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FORWARD LOOKING STATEMENTS

All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Group's and/or the Enlarged Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's and/or the Enlarged Group's control that could cause the actual results, performance, achievements of or dividends paid by the Group and/or the Enlarged Group to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's and/or the Enlarged Group's present and future business strategies and the environment in which the Group and/or the Enlarged Group will operate in the future. These forward-looking statements speak only as of the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules for Companies.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Clive Richard Garston (<i>Non-Executive Chairman</i>) Samuel Bazini (<i>Joint Chief Executive Officer</i>) Eoin Alan Macleod (<i>Joint Chief Executive Officer</i>) Neil Simon Rodol (<i>Chief Financial Officer</i>) Keith John Sadler (<i>Non-Executive Director</i>) Paul George Hagon (<i>Non-Executive Director</i>)
Company Secretary	Sally Ann Craig
Company website	www.warpaintlondonplc.com
Registered Office	Units B&C Orbital Forty Six The Ridgeway Trading Estate Iver Buckinghamshire SL0 9HW
Nominated Adviser and Broker	Stockdale Securities Limited 15 St. Botolph Street London EC3A 7BB
Solicitors to the Company	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Solicitors to the Nominated Adviser and Broker	Freeths LLP One Vine Street Mayfair London W1J 0AH
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

STATISTICS

Placing Price	190 pence
Number of Placing Shares to be issued pursuant to the Placing	11,157,894
Gross proceeds of the Placing	£21.2 million
Proceeds receivable by the Company, net of expenses	£19.97 million
Number of Ordinary Shares in issue as at the date of this document	64,538,600
Number of Consideration Shares to be issued pursuant to the Acquisition	1,052,631
Enlarged Issued Share Capital*	76,749,125
Number of Placing Shares as a percentage of the Enlarged Issued Share Capital	15%

EXPECTED TIMETABLE FOR PRINCIPAL EVENTS

2017

Date of this document	13 November
Latest time and date for receipt of Forms of Proxy	9.30 a.m. on 27 November
General Meeting	9.30 a.m. on 29 November
Admission and dealings in the New Ordinary Shares expected to commence on AIM	8.00 a.m. on 30 November
Expected date of completion of the Acquisition	30 November
Expected date for CREST stock accounts to be credited for New Ordinary Shares in uncertificated form	30 November
Expected date for delivery of definitive share certificates for New Ordinary Shares to be held in certificated form	By 15 December

(1) The times and dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in consultation with Stockdale, in which event details of the new times and dates will be notified to the London Stock Exchange, and where appropriate, Shareholders.

(2) All references in this document to times are to London time unless otherwise stated.

* Assuming no options granted by the Company are exercised.

DEFINITIONS

The following definitions apply in this document unless the context otherwise requires:

“Acquisition”	the proposed acquisition by the Company of the entire issued and to be issued share capital of Retra pursuant to the terms of the Sale and Purchase Agreements;
“Act”	the Companies Act 2006 (as amended);
“Admission”	admission of the New Ordinary Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules for Companies;
“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Rules for Companies”	the rules of AIM as set out in the publication entitled ‘AIM Rules for Companies’ published by the London Stock Exchange from time to time;
“certificated” or “in certificated form”	the description of a share or other security which is not in uncertificated form (that is not in CREST);
“Company” or “Warpaint”	Warpaint London plc;
“Completion”	completion of the Acquisition in accordance with the terms of the proposed Sale and Purchase Agreements, expected to occur on 30 November 2017;
“Consideration Shares”	the 1,052,631 new Ordinary Shares to be allotted and issued under the terms of the Sale and Purchase Agreements;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001, as amended;
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document, or any duly authorised committee thereof, and “Director” means any one of them;
“Enlarged Group”	the Group, as enlarged by the Acquisition;
“Enlarged Issued Share Capital”	the issued share capital of the Company immediately following Admission, assuming all of the New Ordinary Shares are allotted and issued;
“Existing Ordinary Shares” or “Existing Share Capital”	the 64,538,600 Ordinary Shares in issue as at the Last Practicable Date;
“Form of Proxy”	the form of proxy accompanying this document for use in connection with the General Meeting;
“General Meeting”	the general meeting (or any adjournment thereof) of the Shareholders of the Company to be convened for 29 November 2017 pursuant to the Notice of General Meeting set out at the end of this document;
“Group”	the Company and its subsidiaries as at the date of this document;
“Last Practicable Date”	10 November 2017, being the latest practicable date prior to publication of this document;

“London Stock Exchange”	London Stock Exchange plc;
“New Ordinary Shares”	the Consideration Shares and the Placing Shares;
“Notice of General Meeting”	the notice convening the General Meeting as set out at the end of this document;
“Ordinary Shares”	ordinary shares of 25 pence each in the capital of the Company;
“Placees”	persons who have conditionally agreed to subscribe for Placing Shares;
“Placing”	the conditional placing of the Placing Shares by Stockdale, as agent on behalf of the Company, with the Placees pursuant to the terms of the Placing Agreement, further details of which are set out in this document;
“Placing Agreement”	the conditional agreement dated 13 November 2017 between the Company and Stockdale in relation to the Placing, further details of which are set out in this document;
“Placing Price”	190 pence;
“Placing Shares”	the 11,157,894 new Ordinary Shares to be allotted and issued pursuant to the Placing;
“Resolutions”	the resolutions to be proposed at the General Meeting which are set out in full in the Notice of General Meeting;
“Retra”	Retra Holdings Limited, a company incorporated in England and Wales whose registered number is 05783393 and having its registered office at Holden Beck Barn, Hainsworth Road, Silsden, Keighley, West Yorkshire BD20 0LU;
“Sale and Purchase Agreements”	the sale and purchase agreements dated 13 November 2017 between the Vendors and the Company relating to the Acquisition;
“Shareholders”	holders of Existing Ordinary Shares and “Shareholder” shall be construed accordingly;
“Stockdale”	Stockdale Securities Limited, a company registered in England and Wales with registered number 00762818;
“UK” or “United Kingdom”	the United Kingdom of England, Scotland, Wales and Northern Ireland;
“uncertificated” or “in uncertificated form”	recorded on a register of securities maintained by Euroclear UK & Ireland Limited in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and
“Vendors”	Kai Arter, Linda Arter, Steven Richardson and Finance Yorkshire Equity L.P.

All quoted share prices contained in this document have been rounded to two decimal places.

LETTER FROM THE CHAIRMAN

Warpaint London plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 10261717)

Directors:

Clive Richard Garston *(Non-Executive Chairman)*
Samuel Bazini *(Joint Chief Executive Officer)*
Eoin Alan Macleod *(Joint Chief Executive Officer)*
Neil Simon Rodol *(Chief Financial Officer)*
Keith John Sadler *(Non-Executive Director)*
Paul George Hagon *(Non-Executive Director)*

Registered Office:

Units B&C Orbital Forty Six
The Ridgeway Trading Estate
Iver
Buckinghamshire
SL0 9HW

To Shareholders and, for information only, the holders of options to subscribe for Ordinary Shares

13 November 2017

Dear Shareholder,

**Proposed acquisition of the entire issued and to be issued share capital of
Retra Holdings Limited**

Proposed placing of 11,157,894 new Ordinary Shares at a price of 190 pence per share

and

Notice of General Meeting

1. INTRODUCTION

The Company today announced that it had agreed terms for the acquisition of Retra, a UK colour cosmetics company based in Yorkshire, for a maximum consideration of £18.2 million.

Warpaint also announced the Placing of up to 11,157,894 new Ordinary Shares to raise up to £21.2 million at a price of 190p per Ordinary Share. The Placing was implemented via an accelerated bookbuild process which was carried out by Stockdale acting as bookrunner.

The Placing is subject to approval of the Resolutions to grant the Directors authorities to allot and issue the Placing Shares and the Consideration Shares at the General Meeting of Shareholders which is being convened for 29 November 2017.

Completion of the Acquisition and settlement and Admission to trading on AIM of the Placing Shares and the Consideration Shares are expected to occur on 30 November 2017.

Retra is a colour cosmetics business focusing on the gifting market (51% of sales in 2016) principally for high street retailers and supermarkets including Boots, Superdrug and Argos. Retra owns three major brands: Technic, Body Collection and Man's Stuff. It also produces white label cosmetics for several major high street retailers including Asda and Matalan.

Retra recorded profit before tax of £2.3 million on sales of £17.5 million in the year to 31 December 2016.

The consideration payable to the Vendors for the entire issued and to be issued share capital of Retra will be a maximum of £18.2 million. This is comprised of a maximum of £16.2 million payable in cash on Completion from the proceeds of the Placing and £2.0 million to be satisfied by the issue of 1,052,631 new Ordinary Shares.

Subject to the Resolutions being passed at the General Meeting, Completion of the Acquisition, Admission and the commencement of dealings in the Placing Shares and the Consideration Shares on AIM are expected to occur at 8.00 a.m. on 30 November 2017.

The purpose of this document is to provide you with information about the background to and the reasons for the Acquisition and the Placing, to explain why the Board considers the

Acquisition and the Placing to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they and their immediate families and connected persons (within the meaning of section 252 of the Act) intend to do in respect of their aggregate holdings of 41,030,354 Ordinary Shares representing approximately 63.57% of the Existing Share Capital of the Company, notice of which is set out at the end of this document.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION AND PLACING

The Directors believe that the Acquisition presents an opportunity to accelerate the growth of Warpaint through the acquisition of an established UK business which will be highly complementary in terms of products, customer relationships and geographic spread and will provide both Warpaint's and Retra's businesses with access to new distribution channels. It will also expand the range of products and customer segments targeted, including men and older consumers.

Retra will provide Warpaint with a significantly increased customer base, with limited overlap between Retra's and Warpaint's existing customer bases. In particular, Retra distributes through UK supermarkets, grocery stores and high street health and beauty shops including Boots, Superdrug and Asda which are currently unserved by Warpaint.

Retra has a strong sales and new product development team which will support the growth of the Enlarged Group.

The Acquisition is expected to be immediately earnings enhancing, before any benefits of anticipated, but not quantified, synergies are considered.

The net proceeds of the Placing will, in addition to satisfying the cash consideration payable for the Acquisition, be used in part to reduce Retra's reliance on its current funding arrangements and the Enlarged Group is as a result expected to remain net debt free.

3. INFORMATION ON RETRA

Retra, which is based in Silsden, West Yorkshire, was acquired by its current owners in 2006 and has grown from sales of c.£5 million in 2007 to c.£17.5 million in the year to 31 December 2016.

It has 56 employees including around 10 overseas staff based at its offices in Germany, Hong Kong and China. Whilst Retra trades principally in colour cosmetics including gift sets which represented 51% of sales in 2016, it has recently diversified into bath, tanning and men's grooming products and accessories.

Gift sets comprise packaged cosmetic and bath & body collections, with significant focus on the Christmas market; this segment has recently been a strong growth area for Warpaint. Orders for Christmas gift sets are typically placed in Q1 and Q2 each year providing visibility over H2 trading.

Exports represented 42% of Retra's sales in 2016 and were mainly to Europe (37%). Retra has no current presence in Australia (Warpaint's largest export market) and its US business is relatively undeveloped.

Retra owns three major brands, which make up most of its core branded product offering and are sold as "singles" and through gift sets:

- Technic – flagship colour cosmetics and makeup accessories brand, with over 300 products in its range
- Body Collection – more traditional cosmetics and body range
- Man's Stuff – new male grooming range covering products from shower gels and shampoo to beard oils and shaving gels.

White label cosmetic and toiletry ranges, which represented 10% of Retra's sales in 2016, are supplied to several major high street retailers, including Asda and Matalan.

4. FINANCIAL INFORMATION ON RETRA

The trading record of Retra for the two years ended 31 December 2015 and 31 December 2016 as extracted from Retra's financial statements is summarised below:

	<i>Retra Holdings Limited</i>		<i>Growth %</i>
	<i>Year ended 31 December 2016</i>	<i>Year ended 31 December 2015</i>	
Revenue	£17.5m	£12.4m	41.2%
Gross Profit Margin	33.0%	30.0%	
Operating Profit	£2.7m	£0.9m	203.8%
Operating Margin	15.6%	7.2%	
Profit before tax	£2.3m	£0.3m	705.2%
Net cash/(debt)	£(5.4)m	£(5.2)m	

5. TERMS OF THE ACQUISITION

The Acquisition will be made pursuant to the Sale and Purchase Agreements. Under these, the Company has agreed to acquire the entire issued and to be issued share capital of Retra for a total consideration comprising £16.2 million in cash and the issue of the Consideration Shares (except that, if EBITDA 2017 is less than £2.85 million, the Vendors must pay to Warpaint six times the amount by which EBITDA 2017 is less than £3 million, thereby reducing the cash element of the total consideration). Under the Share Purchase Agreements, the Acquisition is conditional, *inter alia*, on the Placing being successfully completed, the Resolutions being passed at the General Meeting and Admission. The Share Purchase Agreements contain usual warranties in relation to Retra in favour of Warpaint and certain restrictive covenants on the part of some of the Vendors.

Kai Arter and Linda Arter (who are receiving over 94% of the Consideration Shares) have each agreed to enter into a lock-in agreement pursuant to which they have undertaken to the Company and Stockdale that, subject to certain limited exceptions, they will not sell or otherwise dispose of, or agree to sell or dispose of, any of their respective interests in the Ordinary Shares held by them and their connected persons at any time during the period of 12 months following Admission. In addition, certain orderly market provisions will apply for a further period of 12 months after expiry of the 12 month lock-in period.

6. DETAILS OF THE PLACING

The Company is proposing to raise up to £21.2 million (before expenses) through the issue of the Placing Shares at the Placing Price in order to fund the cash portion of the consideration, being a maximum of £16.2 million, the transaction expenses and in order to reduce Retra's reliance on its current funding arrangements. The Placing Price represents a discount of approximately 8% to the closing mid-market price of 206.5p per Ordinary Share on 10 November 2017, being the Last Practicable Day prior to the publication of this announcement. The Placing Shares will represent approximately 15% of the Enlarged Issued Share Capital.

Stockdale has entered into the Placing Agreement with the Company whereby Stockdale has agreed, as agent for and on behalf of the Company, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price conditionally upon, *inter alia*:

- 6.1 the Placing Agreement becoming unconditional and not being terminated by Stockdale in accordance with its terms; and
- 6.2 Admission of the Placing Shares and the Consideration Shares becoming effective by not later than 8.00 a.m. on 30 November 2017 (or such later time and/or date as Stockdale and the Company may agree, but not later than 8.00 a.m. on 22 December 2017).

Stockdale may in its absolute discretion waive the conditions referred to above, other than that relating to Admission.

Under the Placing Agreement, certain warranties have been given by the Company to Stockdale concerning, *inter alia*, the accuracy of this document and the presentation to potential investors (together, the "Placing Documents"), the affairs of the Company and certain taxation and other

matters, and certain indemnities have been given by the Company in relation to Stockdale's involvement in the Placing and Admission.

The Placing Agreement will be capable of being terminated by Stockdale at its absolute discretion at any time before Admission if, *inter alia*, (i) any statement in the Placing Documents has become untrue, inaccurate or misleading or matters have arisen which would, if the Placing Documents were issued at that time, constitute an omission from them; or (ii) there has been a breach of any of the warranties in the Placing Agreement; or (iii) there have occurred certain events, as specified in the Placing Agreement, which would render any of the warranties materially untrue or incorrect, and certain other force majeure events which in the reasonable opinion of Stockdale has or will or is likely to have an adverse effect on the financial or trading position or the business or prospects of the Company and its subsidiaries which is material in the context of the Group as a whole or which renders the Placing impracticable or inadvisable.

For the avoidance of doubt, Stockdale is not underwriting the Placing.

7. CURRENT TRADING OF THE COMPANY

Warpaint is currently trading in line with management's expectations.

A copy of the Company's interim results for the period ended 30 June 2017 can be found on the Company's website at www.warpaintlondonplc.com.

8. DIRECTORS' PARTICIPATION IN THE PLACING

The Directors of the Company have, in aggregate, subscribed for 352,628 new Ordinary Shares (£669,993 at the Placing Price) in the Placing.

The participation of the Directors of the Company (and/or their connected persons) in the Placing is set out in the table below:

	<i>Beneficial holding before the Placing</i>		<i>Placing Shares</i>	<i>Beneficial holding following the Placing and the issue of the Consideration Shares</i>	
	<i>(shares)</i>	<i>(%)</i>	<i>(shares)</i>	<i>(shares)</i>	<i>(%)</i>
Samuel Bazini*	20,413,630	31.63%	131,578	20,545,208	26.77%
Eoin Macleod*	20,413,630	31.63%	131,578	20,545,208	26.77%
Clive Garston	100,000	0.15%	26,315	126,315	0.16%
Keith Sadler	20,619	0.03%	10,526	31,145	0.04%
Neil Rodol	61,856	0.10%	42,105	103,961	0.14%
Paul Hagon	20,619	0.03%	10,526	31,145	0.04%

* including 3,000,000 Ordinary Shares held by the Director's wife.

9. SETTLEMENT AND DEALINGS

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission of the New Ordinary Shares will occur at 8.00 a.m. on 30 November 2017.

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the Existing Ordinary Shares on or after Admission. Following the issue of the New Ordinary Shares, the total number of issued Ordinary Shares in the Company will be 76,749,125.

10. GENERAL MEETING

The Directors do not currently have sufficient authority to allot all of the New Ordinary Shares. Accordingly, the Directors are seeking the approval of Shareholders at the General Meeting to allot the New Ordinary Shares. You will find set out at the end of this document a Notice of General Meeting of the Company to be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN on 29 November 2017 at 9.30 a.m. at which the Resolutions will be proposed.

The Resolutions to be passed at the General Meeting are as follows:

(1) **Allotment of Ordinary Shares**

Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot the New Ordinary Shares in connection with the Placing and the Acquisition and otherwise to allot relevant securities up to an aggregate nominal amount of £6,395,760 (representing approximately one third of the Enlarged Issued Share Capital) provided that such authority shall expire on the date being fifteen months from the date of the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of the Company.

(2) **Dis-application of pre-emption rights**

Resolution 2, which will be proposed as a special resolution and which is conditional upon the passing of Resolution 1, dis-applies Shareholders' statutory pre-emption rights (which require a company to offer new shares for cash first to existing shareholders in proportion to their holdings) in relation to the allotment of the New Ordinary Shares in connection with the Placing and grants further authority to allot equity securities for cash on a non-pre-emptive basis up to an aggregate nominal amount of £959,364 (representing approximately 5% of the Enlarged Issued Share Capital) provided that such authority shall expire on the date being fifteen months from the date of the passing of the resolution or, if earlier, the conclusion of the next annual general meeting of the Company.

The majority required to pass resolution 2 above is not less than 75% of the votes cast. Resolution 1 above requires a simple majority.

Shareholders should read the Notice of General Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

The attention of Shareholders is also drawn to the voting intentions of the Directors and connected parties as set out in the paragraph entitled "Recommendation" below.

11. ACTION TO BE TAKEN

Set out at the end of this document you will find a notice convening a General Meeting to be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN at 9.30 a.m. on 29 November 2017 to consider and, if thought fit, approve the Resolutions.

Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than 48 hours (excluding non-working days) before the General Meeting is scheduled to begin. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

12. RECOMMENDATION

The Directors consider that the Resolutions are in the best interests of the Company and would promote the success of the Company for the benefit of its Shareholders as a whole. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they and their immediate families and connected persons (within the meaning of section 252 of the Act) intend to do in respect of their aggregate holdings of 41,030,354 Ordinary Shares representing approximately 63.57% of the Existing Share Capital of the Company.

Yours faithfully,

Clive Garston
Non-Executive Chairman

Warpaint London plc

(Incorporated in England and Wales under the Companies Act 2006 with registered number 10261717)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a general meeting of Warpaint London plc (the “**Company**”) will be held at the offices of DAC Beachcroft LLP, 100 Fetter Lane, London EC4A 1BN at 9.30 a.m. on 29 November 2017 to consider and, if thought fit, to pass the following resolutions which in the case of resolution 1 will be proposed as an ordinary resolution and in the case of resolution 2 will be proposed as a special resolution:

ORDINARY RESOLUTION

1. **THAT**, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors of the Company (the “**Directors**”) be and are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”) up to an aggregate nominal amount of:
 - 1.1 £2,789,473.50 in connection with the proposed placing as described in the circular dated 13 November 2017 which accompanied the notice of general meeting (the “**Circular**”) but for no other purpose;
 - 1.2 £263,157.75 in connection with the proposed acquisition by the Company of the entire issued and to be issued share capital of Retra Holdings Limited (the “**Acquisition**”) but for no other purpose;
 - 1.3 £6,395,760 (in addition to the authorities conferred in sub-paragraphs 1.1 and 1.2 above) representing approximately one third of the Company’s enlarged issued ordinary share capital following completion of the Placing (as defined in the Circular) and the Acquisition,

provided that this authority shall, unless previously revoked, varied or extended, expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company, except that the Company may, at any time before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

SPECIAL RESOLUTION

2. **THAT**, conditional on the passing of resolution 1, the Directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560 of the Act) of the Company wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by resolution 1 above and/or by way of a sale of treasury shares for cash (by virtue of section 573 of the Act), in each case as if section 561(1) of the Act did not apply to any such allotment provided that:
 - 2.1 the power conferred by this resolution shall be limited to:
 - 2.1.1 the allotment of equity securities and the sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities:
 - 2.1.1.1 in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and
 - 2.1.1.2 to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depositary receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever;

2.1.2 in the case of the authority granted under resolution 1:

2.1.2.1 the allotment (otherwise than pursuant to sub-paragraph 2.1.1 above) of equity securities in connection with the Placing (as defined in the Circular);

2.1.2.2 the allotment (otherwise than pursuant to sub-paragraphs 2.1.1 and 2.1.2.1 above) of equity securities or sale of treasury shares up to an aggregate nominal amount of £959,364 (representing approximately 5% of the Company's enlarged issued ordinary share capital following completion of the Placing (as defined in the Circular) and the Acquisition); and

2.2 unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next annual general meeting of the Company, except that the Company may, at any time before such expiry, make an offer or agreement which would or might require equity securities to be allotted (and/or treasury shares to be sold) after such expiry and the directors may allot equity securities (and/or sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

Registered Office:

Units B&C Orbital Forty Six
The Ridgeway Trading Estate
Iver
Buckinghamshire
SL0 9HW

By order of the Board:

Sally Craig
Company Secretary

13 November 2017

Explanatory Notes:

Entitlement to attend and vote

1. Only those members registered on the Company's register of members at:

- 6.00 p.m. on 27 November 2017; or,
- if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting,

shall be entitled to attend and vote at the meeting in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001. 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.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to more than one share. To appoint more than one proxy please refer to the notes on the proxy form.

Appointment of proxy using hard copy proxy form

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
 - completed and signed;
 - sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA; and
 - received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 9.30 a.m. on 27 November 2017.
6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
7. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

8. 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).

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
10. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointment

12. 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 Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.
13. In the case of a member which is a Company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the Company or an attorney for the Company.
14. 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.
15. The revocation notice must be received by Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 9.30 a.m. on 27 November 2017.
16. 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.
17. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

Submission of proxy electronically

18. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof 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 should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

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 relates to the appointment of a proxy, the revocation of a proxy appointment or 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 (ID 7RA11) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. 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 Applications 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 a proxy appointed through CREST should be communicated to the appointee by other means.

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, to procure that his CREST sponsor or voting service provider take) 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.

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.

Corporate representative

19. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

