

THIS DOCUMENT AND THE ACCOMPANYING PROXY FORM IS IMPORTANT. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended immediately to seek your own personal financial advice from your stockbroker, bank manager, attorney, solicitor, accountant or licensed independent financial adviser, who specialises in advising on shares and other securities.

KRYPTONITE 1 PLC

(Incorporated and registered in the Isle of Man under the Companies Acts 1931 to 2004 with registered number 115234C)

Proposed Share Capital Restructuring

Notice of Extraordinary General Meeting

This document is dated 7 March 2017

Your attention is drawn to the “**Definitions**” section of this document, which sets out definitions of certain words and expressions used in this document.

This document should be read as a whole. Your attention is drawn to the letter to the Shareholders from the Board which is set out in this document. The letter contains a recommendation that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

Notice of the Extraordinary General Meeting of the Shareholders to be held at 12 noon on 3 April 2017, the meeting to be held at 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF, is set out at the end of this document. The Proxy Form to be used in connection with the Resolutions is enclosed.

Whether or not you intend to attend the Extraordinary General Meeting in person, you are requested to complete the Proxy Form in accordance with the instructions printed on it and return it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by **Stephen Corran, Kryptonite 1 PLC, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF** as soon as possible but in any event so as to arrive **by no later 5 pm on 31 March 2017.**

This document is a circular relating to the proposed share capital restructuring of the Company and the notice of the Extraordinary General Meeting; this document has not been approved by anybody or authority.

A summary of the action to be taken by Shareholders is set out in the letter to the Shareholders from the Board and in the accompanying notice of the Extraordinary General Meeting.

The completion and return of the Proxy Form will not prevent you from attending the Extraordinary General Meeting and voting in person (where entitled to do so and in substitution for your proxy vote) if you so wish.

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TIMETABLE OF PRINCIPAL EVENTS

<i>EVENT</i>	<i>DATE</i>	<i>TIME</i>
Deadline for lodging Proxy Form for Extraordinary General Meeting	31 March 2017	5.00pm
Extraordinary General Meeting	3 April 2017	12 noon
Record time and date for the consolidation	3 April 2017	Close of business
Admission effective and dealings in the New Ordinary Shares expected to commence on NEX Exchange Growth Market	4 April 2017	8.00am
Crediting of CREST accounts with New Ordinary Shares	4 April 2017	8.00am
Despatch of definitive share certificates in respect of New Ordinary Shares in certificated form	By 17 April 2017	

DEFINITIONS

Certain words and expressions used in this document are defined in the text and, unless the context otherwise requires, such definitions shall apply throughout this document. The following words and expressions shall bear the following meanings when used in this document:

“Acts”	the Isle of Man Companies Act 1931 to 2004;
“Allotment”	the issue and allotment of four Ordinary Shares to a third party;
“Articles”	the current articles of association of the Company;
“Board”	the Directors, acting as a board;
“Chairman”	the person appointed chairman of the Extraordinary General Meeting in accordance with the Articles;
“Circular”	this document dated 7 March 2017;
“Company”	Kryptonite 1 PLC, a company incorporated and registered in the Isle of Man under the Acts;
“Deferred A Shares”	the deferred A shares of £0.001 in the capital of the Company;
“Deferred B Shares”	the deferred B shares of £0.001 in the capital of the Company;
“Deferred C Shares”	the deferred C shares of £0.009 each in the capital of the Company
“Deferred D Shares”	the deferred D shares of £0.0009 each in the capital of the Company;
“Director”	a director of the Company;
“Extraordinary General Meeting” or “EGM”	the proposed extraordinary general meeting of the Company, notice of which is set out in this document;
“Memorandum”	the current memorandum of association of the Company;
“New Memorandum and Articles”	the memorandum and articles of association proposed to be adopted by the Company in the form appended to this document;
“New Ordinary Shares”	the ordinary shares of £0.0019 each in the capital of the Company to be created under the Share Capital Reorganisation;
“Ordinary Shares”	the ordinary shares of £0.0001 each in the capital of the Company;
“Proposal”	the proposal described in more detail in this document whereby, amongst other things, the Share Capital Increase, the Allotment and the Share Capital Reorganisation;
“Proxy Form”	a proxy form to be used in connection with the Extraordinary General Meeting;
“Share Registrars”	Share Registrars Limited, the Company’s transfer

	agent and registrar;
“Resolutions”	the resolutions to be proposed at the Extraordinary General Meeting;
“Share Capital Increase”	the increase in authorised share capital of the Company by the issue of 18 Ordinary Shares of £0.0001 each
“Share Capital Reorganisation”	the consolidation of nineteen Ordinary Shares of £0.0001 each into one New Ordinary Share of £0.0019 each;
“Shareholder”	a registered holder of any Ordinary Share(s), Deferred A Share(s) or Deferred B Share(s); and
“Special Resolution”	means a special resolution of the Company passed as such in accordance with the Acts.

LETTER FROM THE BOARD OF DIRECTORS OF
KRYPTONITE 1 PLC

KRYPTONITE 1 PLC

*(Incorporated and registered in the Isle of Man under the
Companies Acts 1931 to 2004 with registered number 115234C)*

Directors:

Stephen Corran
Rupert Williams
George McDonough
Jeremy Woodgate

Registered Office:

4th Floor, Queen Victoria House
41-43 Victoria Street
Douglas
Isle of Man
IM1 2LF

7 March 2017

To the Shareholders

Dear Shareholder

This Circular sets out details of the proposed Proposals. This document includes a notice of an Extraordinary General Meeting of Shareholders to consider and, if thought fit, to approve the Resolutions that are necessary, amongst other things, in order to implement the Share Capital Reorganisation.

1. Proposed Share Capital Reorganisation

The capital reorganisation is being proposed in order to rationalise the large share capital of the Company, thereby making the shareholder base more manageable from an administrative perspective. The current amount of authorised and issued Ordinary Shares places an administrative burden on the Company which is disproportionate to its size.

The Ordinary Shares have a current nominal value of £0.0001 each. The Acts state that a company limited by shares, if so authorised by its articles, may consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.

Under the Share Capital Reorganisation it is proposed that every 19 Ordinary Shares will be consolidated into one New Ordinary Share.

The Share Capital Reorganisation will give rise to fractional entitlements to a New Ordinary Share where any holding is not precisely divisible by 19. No certificates regarding fractional entitlements will be issued. Instead, in accordance with the authority in the Company's articles of association, any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold in the market for the best price reasonably obtainable on behalf of those Shareholders entitled to the fractions. The Company will distribute the proceeds of any such sale, except that where the net proceeds due in respect of any holding do not exceed £3.00, such proceeds will be retained for the benefit of the Company. In view of the current share price for the Ordinary Shares, the Directors do not believe that any fractional distribution payment will be made.

Following the Share Capital Reorganisation, the New Ordinary Shares, so created, will continue to carry the same rights and be subject to the same restrictions (save as the change to nominal value), as attached to the Ordinary Shares.

To effect the Share Capital Reorganisation, it will be necessary to increase the authorised share capital of the Company by 18 Ordinary Shares and issue of an additional 4 Ordinary Shares so that

the Company's issued ordinary share capital is exactly divisible by 19. These 4 additional Ordinary Shares will be issued to a third party prior to the Share Capital Reorganisation taking place.

The current authorised and issued share capital of the Company is as follows:

	Par Value (£)	Number Authorised	Authorised Capital (£)	Number Issued	Issued Capital (£)
Ordinary Shares	0.0001	44,782,461,000	4,478,246.10	1,132,394,334	113,239.43
Deferred A Shares	0.001	25,000,000	25,000	3,000,000	3,000
Deferred B Shares	0.001	25,000,000	25,000	3,000,000	3,000
Deferred C Shares	0.009	31,411,002	282,699	31,411,002	282,699
Deferred D Shares	0.0009	210,061,001	189,054	210,061,001	189,054

Following the implementation of the Proposal the share capital of the Company will be as follows:

	Par Value (£)	Number Authorised	Authorised Capital (£)	Number Issued	Issued Capital (£)
New Ordinary Shares	0.0019	2,356,971,632	4,466,730.10	59,599,702	113,239.43
Deferred A Shares	0.001	25,000,000	25,000	3,000,000	3,000
Deferred B Shares	0.001	25,000,000	25,000	3,000,000	3,000
Deferred C Shares	0.009	31,411,002	282,699	31,411,002	282,699
Deferred D Shares	0.0009	210,061,001	189,054	210,061,001	189,054

CREST and Share Certificates

It is expected that New Ordinary Shares will be credited to Shareholders' CREST accounts on 4 April 2017.

Certificates representing Ordinary Shares will no longer be valid if the Share Capital Reorganisation is approved at the Extraordinary General Meeting. New share certificates in respect of the New Ordinary Shares are expected to be posted by Share Registrars to certificated shareholders in their new form by 17 April 2017. The new share certificates will be sent by first class post at the risk of the shareholder. Certificates for ordinary shares dated on or before the record date will cease to be valid.

The ISIN for the New Ordinary Shares will be IM00BYYPQX37.

2. New Memorandum and Articles

Amended Memorandum and Articles have been prepared which reflect the proposed consolidation of the Ordinary Shares, the Share Capital Increase, the Allotment. (the “**New Memorandum and Articles**”). A copy of the New Memorandum and Articles will be available at the Company’s registered office and on the Company’s website:

<https://www.kryptonite1.co/>

3. Resolutions to approve the Proposal

The proposed consolidation of Ordinary Shares into New Ordinary Shares, the Share Capital Increase and the Allotment will require the sanction of an ordinary resolution of the Shareholders.

The proposed adoption of the New Memorandum and Articles will require the sanction of a Special Resolution of the Shareholders.

At a meeting of the Board on 7 March 2017 it was determined to call an extraordinary general meeting of the Company (the “**Extraordinary General Meeting**”) to consider and, if thought fit, approve the Share Capital Reorganisation. Under the Articles, each holder of Ordinary Shares, Deferred A Shares and Deferred B Shares res are entitled to attend the Extraordinary General Meeting and vote in respect of the Resolutions.

4. Taxation

Shareholders are strongly advised to consult their professional advisers about their own personal tax position.

5. Action to be taken

The Proxy Form to be used in connection with the Extraordinary General Meeting accompany this Circular. Whether or not you intend to attend the Extraordinary General Meeting in person, you are requested to complete and sign the Proxy Form in accordance with the instructions printed thereon and return them as soon as possible by post or (during normal business hours only) by hand, but, in any event, so as to be received by Stephen Corran at Kryptonite 1plc, 4th Floor, Queen Victoria, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF soon as possible and in any event so as to arrive by no later than 5pm on 31 March 2017. Completion of the Proxy Form does not prevent you from attending the Extraordinary General Meeting and voting in person (where entitled to do so and in substitution for your proxy vote).

6. Recommendation to Shareholders

The Board considers the Proposal to be in the best interests of the Shareholders as a whole and that the Proposal is fair and reasonable to the Shareholders. Accordingly, the Board unanimously recommends that the Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.

7. 2016 EGM Minutes

The Board note that the minute of the extraordinary general meeting held on 14 March 2016, erroneously noted the Company’s authorised share capital as 4,667,301,002 ordinary shares. This was a typographical error that should have read 44,782,461,000 ordinary shares. The Board wished to note this error and confirm that the Memorandum and Articles of Association, which also contained this error, were to be amended at the Extraordinary General Meeting.

Yours faithfully

Stephen Corran

Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

KRYPTONITE 1 PLC

(Incorporated and registered in the Isle of Man under the

Companies Acts 1931 to 2004 with registered number 115234C)

The terms defined in the Circular have the same meanings in the resolutions to be proposed at the EGM, save where the context otherwise requires.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of the shareholders of Kryptonite 1 PLC (the “**Company**”) will be held at the offices of Bridgewater (IOM) Limited, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF at 12 noon on 3 April 2017.

ORDINARY RESOLUTION

THAT:

- (1) in accordance with section 50 of the Companies Act 1931 and Article 53 of the Company's Articles of Association that the Share Capital Increase be approved;
- (2) in accordance with section 50 of the Companies Act 1931 and Article 54 of the Company's Articles of Association that the Share Capital Reorganisation be approved;
- (3) in accordance with section 2 of the Companies Act 1986 and Article 4 of the Company's Articles of Association that the Allotment be approved; and
- (4) that each and every variation, modification or abrogation of the rights and privileges attached to the Ordinary Shares which is or may be effected by the implementation of the Proposal be sanctioned.

SPECIAL RESOLUTION

THAT:

- (1) in accordance with section 10 of the Companies Act 1931, the amendment to the articles of association of the Company be approved so as to accurately reflect the current share capital; and
- (2) that each and every variation, modification or abrogation of the rights and privileges attached to the Ordinary Shares which is or may be effected by the adoption of the New Memorandum and Articles be sanctioned.

By Order of the Board

Stephen Corran
Company Secretary

7 March 2017

Registered Office:

4th Floor, Queen Victoria House
41-43 Victoria Street
Douglas
Isle of Man
IM1 2LF

Notes:

1. The holders of Ordinary Shares, Deferred A Shares and Deferred B Shares in the capital of the Company may vote in respect of this resolution.
2. As a shareholder entitled to attend and vote at the meeting you are entitled to appoint one or more proxies to attend and vote in your place.

3. 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 will automatically be terminated.
4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them instructions directly.
5. You may appoint more than one proxy provided each proxy is entitled to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to one share. To appoint more than one proxy, you should contact Stephen Corran at Kryptonite 1 PLC, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF.
6. To direct your proxy how to vote on the resolutions, mark the appropriate box on your proxy form with an "X". To abstain from voting on the relevant resolution, select the relevant "Vote Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for and against the resolution. If no voting indication is given, your proxy will vote or abstain from voting in his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
7. To appoint a proxy, your proxy form must be duly completed and signed, sent or delivered to Stephen Corran at Kryptonite 1 PLC, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF and received by not later than 5 pm on 31 March 2017.
8. In the case of a member which is a body corporate, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the body corporate of the body corporate.
9. Any power of attorney or other authority under which any proxy form is signed (or a duly certified copy thereof) must be included with your proxy form.
10. If you submit more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.

KRYPTONITE 1 PLC

(Incorporated and registered in the Isle of Man under the
Companies Acts 1931 to 2004 with registered number 115234C)

PROXY FORM

This Proxy Form relates to the Extraordinary General Meeting of the shareholders of Kryptonite 1 PLC (the “**Company**”) to be held at the offices of Bridgewater (IOM) Limited, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF at 12 noon on 3 April 2017.

I/We (name(s) in full)

of (address(es))

being holder(s) of Ordinary Shares of £0.001 each, Deferred A Shares of £0.001 each or Deferred B Shares of £0.001 each each in the capital of the Company hereby appoint the Chairman of the meeting, or failing him

as my/our proxy to attend, represent and vote for me/us on my/our behalf at the meeting of the holders of Ordinary Shares, Deferred A Shares and Deferred B Shares in the Company to be held at the offices of Bridgewater (IOM) Limited, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF at 12 noon on 3 April 2017 and at any adjournment thereof.

Please indicate with an "X" in the space below how you wish your votes to be cast in respect of the resolution as set out in the notice convening the Extraordinary General Meeting. If no specific direction to vote is given, the proxy will vote or abstain at his discretion.

		For	Against	Vote withheld
Ordinary Resolution	THAT:			
	(1) in accordance with section 50 of the Companies Act 1931 and Article 53 of the Company's Articles of Association that the Share Capital Increase be approved;			
	(2) in accordance with section 50 of the Companies Act 1931 and Article 54 of the Company's Articles of Association that the Share Capital Reorganisation be approved;			
	(3) in accordance with section 2 of the Companies Act 1986 and Article 4 of			

	<p>the Company's Articles of Association that the Allotment be approved; and</p> <p>(4) that each and every variation, modification or abrogation of the rights and privileges attached to the Ordinary Shares which is or may be effected by the implementation of the Proposal be sanctioned.</p>			
Special Resolution	<p>THAT:</p> <p>(1) in accordance with section 10 of the Companies Act 1931, the amendment to the articles of association of the Company be approved so as to accurately reflect the current share capital; and</p> <p>(2) that each and every variation, modification or abrogation of the rights and privileges attached to the Ordinary Shares which is or may be effected by the adoption of the New Memorandum and Articles be sanctioned.</p>			

Signature(s).....

Date

Notes:

1. The holders of Ordinary Shares of £0.001 each, Deferred A Shares of £0.001 each and Deferred B Shares of £0.001 each in the capital of the Company may vote in respect of this resolution.
2. As a shareholder entitled to attend and vote at the meeting you are entitled to appoint one or more proxies to attend and vote in your place.
3. 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 will automatically be terminated.
4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them instructions directly.
5. You may appoint more than one proxy provided each proxy is entitled to exercise rights attached to different shares. In the event of a conflict between a blank proxy form and a proxy form which states the number of shares to which it applies, the specific proxy form shall be counted first, regardless of whether it was sent or received before or after the blank proxy form, and any remaining shares in respect of which you are the registered holder will be apportioned to the blank proxy form. You may not appoint more than one proxy to exercise rights attached to one share. To appoint more than one proxy, you should contact Stephen Corran at Kryptonite 1 PLC, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF.
6. To direct your proxy how to vote on the resolutions, mark the appropriate box on your proxy form with an "X". To abstain from voting on the relevant resolution, select the relevant "Vote Withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for and against the resolution. If no voting indication is given, your proxy will vote or abstain

from voting in his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

7. To appoint a proxy, your proxy form must be duly completed and signed, sent or delivered to Stephen Corran at Kryptonite 1 PLC, 4th Floor, Queen Victoria House, 41-43 Victoria Street, Douglas, Isle of Man IM1 2LF and received by not later than 5 pm on 31 March 2017.

8. In the case of a member which is a body corporate, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the body corporate of the body corporate.

9. Any power of attorney or other authority under which any proxy form is signed (or a duly certified copy thereof) must be included with your proxy form.

10. If you submit more than one valid proxy appointment,