

28 November 2017

RNS Announcement: The information communicated in this announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

Progility plc
("Progility" or "the Company" or "the Group")

**Posting of Annual Report & Accounts, Notice of Annual General Meeting
and
proposed Share Reorganisation**

Annual General Meeting date: 22 December 2017

Progility plc (AIM: PGY) is the holding company of a systems integration and project management services group which has been created to provide a range of project management services including innovative and market leading technology solutions.

REPORT AND ACCOUNTS AND NOTICE OF ANNUAL GENERAL MEETING

The Annual Report and Accounts and Notice of Annual General Meeting for the year ended 30 June 2017 will be posted to shareholders today. The Annual Report and Notice of the Annual General Meeting, which contains, inter alia, information in relation to a proposed share reorganisation are also available on the Company's website – www.progility.com, pursuant to AIM Rule 20.

The Company's Annual General Meeting ("AGM"), will be held at the offices of the Company, 7th Floor, 95 Aldwych, London, WC2B 4JF on 22 December 2017 at 10.00 a.m.

PROPOSED SHARE REORGANISATION

Purpose of the Share Reorganisation

The Company's issued ordinary share capital currently consists of 199,666,880 ordinary shares having a nominal value of 10p each. Over 85% of the shareholdings in the Company are made up of a holding of less than 500 shares and at our current market price these holdings would be valued at less than £7. The Board believes that the Company is incurring disproportionate costs in servicing these holdings relative to their value. Furthermore, the Board believes that the Company has little flexibility with regards to the issue of equity either for incentive schemes or for other purposes with an ordinary share having a nominal value of 10p which is a substantial premium to the current price.

Accordingly, the primary objective of the consolidation is to reduce the number of Existing Ordinary Shares to a level which would be more cost effective to service and also to provide greater flexibility over incentive schemes or for other purposes that will further the success of the Company.

Details of the proposed Share Reorganisation

The proposed Share Reorganisation will comprise two elements:

- Consolidation – every holding of 500 Existing Ordinary Shares will be consolidated into one new ordinary share of £50.00 ("New Ordinary Share");

- Sub-division – immediately following the Consolidation, each New Ordinary Share will then be sub-divided into one new non-transferrable deferred share of £49.99 with limited rights (a summary of which is set out below), and four new ordinary shares of £0.0025, having the same rights as the Existing Ordinary Shares.

The Share Reorganisation requires the passing of the resolutions numbered 6.1 and 6.2 in the Notice of AGM. The resolution will be proposed as an ordinary resolution requiring the approval of the holders of more than 50% of the Existing Ordinary Shares. If the resolutions are passed, the Share Reorganisation will become effective by close of business on 22 December 2017 (being the date of the AGM) with admission of the New Ordinary Shares to trading on AIM (for which application will be made) expected on or about 27 December 2017.

Shareholders holding less than 500 Existing Ordinary Shares at the Record Date will have their holdings of Existing Ordinary Shares aggregated and, subject to the proposed amendment to the Company's Articles of Association proposed at resolution 7.5 of the Notice of AGM, they will be sold by the Board in the marketplace, with the proceeds being donated to a charity of the Board's choice. These Shareholders will therefore cease to be shareholders in the Company.

Shareholders holding more than 500 Existing Ordinary Shares on the Record Date, but which are not exactly divisible by 500, will have their holdings rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements will then be aggregated and dealt with by the Board in the same manner set out above.

Deferred Shares

The Deferred Shares will have the following limited rights and be subject to the following restrictions:

- The Deferred Shares shall not entitle the holders to participate in the profits or assets of the Company other than on a winding up of the Company and only then to the amount paid up on each Deferred Share after the sum of £1,000,000 per each New Ordinary Share has been distributed among the holders of the New Ordinary Shares.
- The Deferred Shares shall not entitle their holders to receive notice of or to attend, speak or vote at any general meeting of the Company by virtue of or in respect of their holding of Deferred Shares.
- No share certificates will be issued in respect of the Deferred Shares.
- The Deferred Shares shall not be capable of transfer by the holder.
- The Deferred Share shall not be listed for trading on any recognised investment exchange.
- The Company may without obtaining the sanction of the holder or holders of the Deferred Shares, appoint any person to execute on behalf of any holder of Deferred Shares a transfer of all of the Deferred Shares or any part thereof (and/or an agreement to transfer the same) to the Company or to such person as the directors may determine (whether or not an officer of the Company), in any case for not more than 1 pence for all the Deferred Shares then being purchased from the holder, and cancel all or any of the Deferred Shares so purchased by the Company.
- Neither the passing by the Company of any special resolution for the cancellation of Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court, nor the obtaining by the Company nor the making by the Court of any order confirming any such reduction of capital, nor the becoming effective of any such order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares. Accordingly, the Deferred Shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Act without sanction on the part of the holders of the Deferred Shares.

- The rights attaching to the Deferred Shares shall not be, or deemed to be, varied, modified or abrogated by the creation, allotment or issue of any shares in the capital of the Company of any class (whether ranking pari passu with or in priority to them) or anything done pursuant to or any other act, matter or thing whatsoever save for any proposal to vary (otherwise than to the advantage of the holders of the Deferred Shares) the rights of the holders of the Deferred Shares to participate in a return of capital.

Share Certificates for New Ordinary Shares

It is expected that, if the resolutions are passed by shareholders at the AGM, the New Ordinary Shares will be admitted to trading on AIM on or about 27 December 2017. Those Shareholders holding more than 500 Existing Ordinary Shares on the Record Date and who are non-CREST shareholders will be sent out certificates in respect of their New Ordinary Shares within 10 business days of 22 December 2017. These new share certificates will be sent by first-class post, at the risk of the holder of the relevant New Ordinary Shares, to the registered address of that holder or, in the case of joint holders, to the one whose name appears first in the register of members. Upon completion of the Share Reorganisation all certificates previously issued in relation to Existing Ordinary Shares will no longer be valid and should be destroyed. Until a holder of certificated New Ordinary Shares receives a new share certificate, transfers of certificated New Ordinary Shares will be certified against the register of members.

Shareholders whose holdings are held in uncertificated form through CREST will have their CREST accounts adjusted on 27 December 2017 under a new ISIN and SEDOL numbers to reflect their entitlement to New Ordinary Shares (to the extent they hold more than 500 Existing Ordinary Shares). The new ISIN and SEDOL will be applied for in due course.

Serious Loss of Capital

The net assets of the Company as shown in the report and accounts to be adopted at the Annual General Meeting are half or less of the Company's called-up share capital. Accordingly, as required by section 656 of the Companies Act 2006, the Directors are required to call a meeting of the Company to consider whether any, and if so, what steps, should be taken to deal with the situation. Resolution 8 set out in the notice of Annual General Meeting proposes this. The Board proposes to address this by adding value to existing projects and taking them through to delivery and cash flow.

Recommendation

The Board consider that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its members as a whole and are most likely to promote the success of the Company for the benefit of its members as a whole. The Board of Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings of 129,306,695 Existing Ordinary Shares (which represents 64.8 per cent of the current issued share capital of the Company).

Further announcements will be made as appropriate.

Note: Definitions in this announcement will, unless otherwise stated, have the same meaning as in the Notice of Annual General Meeting dated 28 November 2017.

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Notes to Editors:

Group Description

Progility plc, the systems integrator and project management services firm has three operating divisions: Professional Services, Healthcare and Communications.

Professional Services

The Professional Services division includes ILX Training, the TFPL, Sue Hill and Progility Recruitment UK-based recruitment services brands, Obrar Consulting and Woodspeen Training.

The founding unit of the Group, ILX Training is a leading provider of training in best practice for programme, project and IT service management, including strategic programme and project management consulting solutions. ILX also develops bespoke training courses for large-scale IT migration and transformation projects. We deliver ILX services from offices in the UK and Dubai and Australia, with partnerships extending into Europe and the US.

TFPL became part of the group in July 2014 with Sue Hill joining in November 2014. Together they form a recruitment division which boasts a pool of quality assured candidates trained in project management services, including digital information management candidates. Progility Recruitment was established in January 2014 to offer specific project management recruitment services. Obrar is a consulting-led project management services company, with over 30 years' experience of delivering technology and people solutions in the UK and internationally. Woodspeen Training works with individuals and companies across a range of occupational areas, led by an experienced team of advisors and trainers, operating from four locations across the UK, enhancing young people's skills and helping them into work.

Communications

The Communications division comprises Progility Technologies in Australia and India.

Progility Technologies operates a communication systems integration business that designs, implements and maintains solutions for medium and large enterprises with a focus on the rail, port, oil and gas, power, water and healthcare industries in Australia, on the healthcare, hospitality, financial services, public sector, manufacturing, education and IT sectors in India and on the mining industry globally.

The Australian business, which merged with the Group in October 2013, is headquartered in Melbourne, Australia, and has offices in Sydney, Brisbane, Perth, Latrobe Valley and Castlemaine. The Indian business which joined the Group in December 2014, is headquartered in Mumbai and operates through a network of 21 offices throughout India.

Healthcare

Healthcare comprises the activities of the Starkstrom Group, the operating theatre and critical care business, which delivers and installs advanced medical equipment and is a leading provider of fully integrated solutions, with over 40 years' experience in the UK sector. Acquired in July 2014, Starkstrom is headquartered in north-west London and with a manufacturing and assembly facility in Leicester.

Progility Finco

Progility Finco is a wholly owned subsidiary of Progility plc which was incorporated as a special purpose vehicle in order to issue loan notes which would be admitted to the Official List of the Channel Island Securities Exchange Authority to help meet the financing requirements of the Group.