**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial and Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.**

If you have sold or transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy or Form of Instruction as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

This document does not constitute a prospectus for the purposes of the prospectus rules of the Financial Conduct Authority nor does it comprise an admission document prepared in accordance with the AIM Rules. Accordingly, this document has not been approved by or filed with the Financial Conduct Authority. This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for Placing Shares in any jurisdiction. This document must not be distributed to a US person (as such term is defined in the US Securities Act of 1933, as amended (the Securities Act)) or within or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The Ordinary Shares have not been and will not be registered under the Securities Act, and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national resident or citizen of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or any corporation, partnership or other entity created or organised under the laws thereof.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. No application has been made or is currently intended to be made for the Placing Shares to be admitted to trading or dealt in on any other exchange. It is expected that, subject to, inter alia, the passing of the Resolutions at the General Meeting, admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares, on or around 12 December 2018.

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# RM2 International S.A.

*(incorporated and registered in Luxembourg with number B 132 740)*

## Restructuring of share capital (including 200:1 Share Consolidation)

## Conditional placing of 12,335,162 new Ordinary Shares following such Restructuring at 105 pence per Placing Share

## Disapplication of pre-emption rights

## Amendment to Articles of Association

## and

## Notice of Extraordinary General Meeting

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**The attention of existing Shareholders is drawn to the report from the Board of the Company which is set out in Part I this document and which recommends you to vote in favour of the Resolutions to be proposed at the General Meeting referred to below. Attention is also drawn to the Risk Factors set out in Part II of this document.**

Strand Hanson Limited (**Strand Hanson**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is the Company's nominated adviser under the AIM Rules. The responsibility of Strand Hanson as nominated adviser under the AIM Rules is owed solely to the London Stock Exchange and not to the Company or its Directors or any other person. Strand Hanson has not authorised the contents of this document and no liability is accepted by Strand Hanson for the accuracy of any information or opinions contained in, or for the omission of any information from, this document, for which the Company and the Directors are solely responsible.

**Notice of an extraordinary general meeting of the Company to be held at 5 Rue de la Chapelle, Luxembourg, L-1325, Luxembourg at 10.30 a.m. GMT / 11.30 a.m. CET on 11 December 2018 is set out at the end of this document. Shareholders will find the Form of Proxy or Form of Instruction for use at the General Meeting accompanying this document. The Form of Proxy or Form of Instruction should be completed and returned to the Company's registrars, preferably through the use of the registrars' electronic voting system, or by submission of the Form of Proxy or Form of Instruction to Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.30 a.m. GMT / 11.30 a.m. CET on 6 December 2018 for Form of Instructions and 10.30 a.m. GMT / 11.30 a.m. CET on 7 December 2018 for Form of Proxy. Completion and return of a Form of Proxy or Form of Instruction will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.**

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Placing and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, Strand Hanson or their respective directors.

The contents of the Company's website, which this document will be available on, or any website directly or indirectly linked to the Company's website do not form part of this document.

The Placing Shares will, upon Admission, rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares are not being made available to the public in conjunction with the Placing.

The distribution of this document and the offer of the Placing Shares in certain jurisdictions may be restricted by law. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside of the UK into whose possession this document comes should inform themselves about and observe any such restrictions.

**The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is unlawful.**

**FORWARD LOOKING STATEMENTS**

This document contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "potential", "estimate", "expect", "may", "will" or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. These forward-looking statements speak only as at the date of this document. No statement in this document is intended to constitute a profit forecast or profit estimate for any period. Neither the Directors nor the Group undertake any obligation to update forward-looking statements or risk factors other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

# Contents

## Directors, Registered Office and Advisers

| | |
|---|---|
| Directors: | R. Ian Molson *Non-executive Chairman*<br>Kevin Mazula *Chief Executive Officer*<br>Jeff Blouvac *Chief Financial Officer*<br>David Binks *Non-executive Director*<br>Jan Dekker *Non-executive Director*<br>Charles Duro *Non-executive Director*<br>Andrew Geisse *Non-executive Director*<br>Lord Rose *Non-executive Director*<br>Paul Walsh *Non-executive Director* |
| all of whose business address is | RM2 International S.A.<br>5 Rue de la Chapelle<br>Luxembourg<br>L-1325<br>Luxembourg |
| Registered Office: | 5 Rue de la Chapelle<br>Luxembourg<br>L-1325<br>Luxembourg |
| Nominated & Financial Adviser and Broker: | Strand Hanson Limited<br>26 Mount Row<br>London W1K 3SQ |
| UK solicitors to the Company: | Dentons UK and Middle East LLP<br>One Fleet Place<br>London EC4M 7WS |
| Luxembourg lawyers to the Company: | Duro & Goebel<br>3 Rue de la Chapelle<br>Luxembourg<br>L-1325<br>Luxembourg |
| Auditors: | Grant Thornton Lux Audit S.A.<br>89A Pafebruch<br>L-8308 Capellen<br>Luxembourg |
| Registrars: | Computershare Investor Services plc<br>The Pavilions<br>Bridgwater Road<br>Bristol BS99 6ZY |

## Placing Statistics

| | |
|---|---|
| Number of Old Ordinary Shares in issue at the date of this document | 5,001,781,964 |
| Notional Placing Price per Old Ordinary Share (prior to the Restructuring) | 0.525 pence |
| Number of Ordinary Shares in issue following the Restructuring | 25,008,909 |
| Placing Price per Ordinary Share (following the Restructuring) | 105 pence |
| Placing Price premium to the closing middle market price on 22 November 2018 (rebased to reflect the Restructuring) | c. 17% |
| Number of Placing Shares to be issued pursuant to the Placing | 12,335,162 |
| Number of Ordinary Shares in issue immediately following Admission | 37,344,071 |
| Placing Shares as a percentage of the Enlarged Share Capital | 33.03% |
| Expected percentage of shares in public hands (as defined by the AIM Rules) following Admission | 11.12% |
| Gross proceeds of the Placing | £12,951,919.23 |
| Gross proceeds of the Placing | $16,837,500 |
| Estimated net proceeds of the Placing to be received by the Company | $16,727,500 |
| Assumed GBP:USD exchange rate | 1.30 |
| New ISIN (following the Restructuring) | LU1914372336 |

## Expected Timetable of Key Events

| | |
|---|---|
| Announcement of, *inter alia*, the Restructuring and the Placing | 23 November 2018 |
| This document and the Form of Proxy or Form of Instruction posted to Shareholders | 26 November 2018 |
| Latest time and date for receipt of Forms of Instruction | 11.30 a.m. CET on 6 December 2018 |
| Latest time and date for receipt of Forms of Proxy | 11.30 a.m. CET on 7 December 2018 |
| **General Meeting** | **11.30 a.m. CET on 11 December 2018** |
| Restructuring Record Date | 5 p.m. GMT on 11 December 2018 |
| Admission and dealings to commence in the Ordinary Shares (including Placing Shares) (following the Restructuring) | 8 a.m. GMT on 12 December 2018 |
| Ordinary Shares (including Placing Shares) in uncertificated form to be credited to CREST accounts (CREST shareholders only) (following the Restructuring) | 12 December 2018 |

*Each of the times and dates in the above timetable is a reference to the time in London unless otherwise noted and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by announcement by the Company on a regulatory information service.*

# PART I

## Report from the Board of RM2 International S.A.

*(incorporated and registered in Luxembourg with number B 132 740)*

to the Extraordinary General Meeting of Shareholders of the Company to be held on 11 December 2018, established in accordance with article 420-26 (5) of the law of 10 August 1915 on commercial companies (as amended)

| *Directors:* | *Registered Office:* |
|---|---|
| R. Ian Molson | 5 Rue de la Chapelle |
| Kevin Mazula | Luxembourg |
| Jeff Blouvac | L-1325 |
| Jan Dekker | Luxembourg |
| David Binks | |
| Charles Duro | |
| Andrew Geisse | |
| Lord Rose | |
| Paul Walsh | |

26 November 2018

Dear Shareholder,

**Restructuring of share capital (including 200:1 Share Consolidation) and conditional Placing of 12,335,162 new Ordinary Shares following such Restructuring at a Placing Price of 105 pence each to raise US$16,837,500 before expenses**

**Introduction**

Your Board announced on 29 March 2018 that the Company had conditionally raised US$36 million (before fees and expenses) by way of a placing of 2,535,211,265 Old Ordinary Shares at a placing price of 1 pence per Old Ordinary Share to be effected in two tranches.

The issuance of the first tranche of 1,279,049,295 Old Ordinary Shares (gross proceeds of US$18,162,500) (the **First Tranche Subscription**) took place following authorisations received at the general meeting of the Company held on 13 April 2018.

As set out in the circular dated 29 March 2018, it was anticipated that the second tranche of 1,256,161,970 Old Ordinary Shares would be issued at a placing price of 1 pence per Old Ordinary Share (the **Second Tranche Subscription**) following the satisfaction, at Woodford's determination, of certain Key Performance Indicators. As announced by the Company on 7 September 2018, the Company's execution of its business plan has fallen behind schedule since March 2018, and therefore it has been determined that the original placees (together, with Woodford, the **Original Investors**), are not bound to subscribe for their participation in the Second Tranche Subscription.

All of the Original Investors, other than one (the **Placees**), however, have indicated to the Company that they would invest further sums in the Company on the basis of pricing being at/around the current market price, which is now at a significant discount to the original placing price of 1 pence per Old

Ordinary Share. Following negotiations, a new subscription price of £0.00525 per Old Ordinary Share was agreed (before the Restructuring), which is the highest closing mid-market price attained by the Old Ordinary Shares over the last month (being the period from 23 October 2018 to 22 November 2018).

With the Company's current share capital structure, it is not possible to reduce the original placing price of 1 pence per Old Ordinary Share to the current market value of the Old Ordinary Shares (and the new subscription price of £0.00525 per Old Ordinary Share) as this would result in a placing price lower than the US$0.01 nominal value of the Old Ordinary Shares which would be in contravention of the Luxembourg Companies Law.

Consequently, it is necessary for the Company to carry out a restructuring of the share capital (the **Restructuring**) to facilitate completion of the second tranche of the placing. The Restructuring will result in the share capital of the Company being reduced from 5,001,781,964 ordinary shares of US$0.01 (the **Old Ordinary Shares**) to 25,008,909 ordinary shares of US$0.01 each (the **Ordinary Shares**) by carrying out the following steps:

(a) decreasing the subscribed share capital of the Company by an amount of US$1.64 by cancellation of 164 Old Ordinary Shares held in treasury so as to decrease the share capital from US$50,017,819.64 to US$50,017,818 (represented by 5,001,781,800 Old Ordinary Shares of US$0.01 each), such that the share capital is set at a number divisible by 200;

(b) undertaking a share consolidation (the **Share Consolidation**) whereby every 200 Old Ordinary Shares will be consolidated into one ordinary share with a nominal value of US$2.00 each (the **Two Dollar Shares**) resulting in a share capital of US$50,017,818 represented by 25,008,909 ordinary shares of US$2.00 each;

(c) eliminating any fractional shares held by Shareholders by requiring the mandatory forfeiture to the Company without consideration of any Old Ordinary Shares which cannot be exchanged into a Two Dollar Share following the Share Consolidation (the **Fractional Old Shares**), following which the Company will consolidate the Fractional Old Shares forfeited into Two Dollar Shares and hold these as treasury shares;

(d) suppressing the nominal value and decreasing the subscribed share capital by an amount of US$49,767,728.91 so as to decrease it from US$50,017,818 to US$250,089.09 represented by 25,008,909 Two Dollar Shares without nominal value, by absorption of deferred losses for an equivalent amount; and

(e) reintroducing a nominal value of US$0.01 to the Two Dollar Shares (to be renamed as the Ordinary Shares).

Completion of these steps will result in the share capital of the Company comprising 25,008,909 Ordinary Shares of US$0.01 on completion of the Restructuring.

On this basis, the Company and Original Investors have agreed that following completion of the Restructuring, the terms of the Second Tranche Subscription will be replaced and will now consist of a placing (the **Placing**) of 12,335,162 new Ordinary Shares (the **Placing Shares**) at a price of 105 pence per Placing Share (the **Placing Price**). The Placees, who had previously agreed to participate in the Second Tranche Subscription, will now participate in the Placing by signing new subscription agreements with the Company (the **Subscription Agreements**).

The Company intends to use the net proceeds of the Placing to fund: (i) the retrofitting of existing inventory of RM2 Blockpals with RM2 ELIoT track and trace devices, (ii) the production of new RM2 ELIoT Pallets and (iii) its sales and general administrative costs.

For the Restructuring (including the Share Consolidation) and the Placing to proceed, the Company requires Shareholders' approval to authorise the Directors to (i) carry out the various steps of the Restructuring, (ii) increase the subscribed share capital, (iii) issue the Placing Shares and (iv) disapply existing Shareholders' pre-emption rights in relation to the issue of the Placing Shares on a non pre-emptive basis.

The purpose of this circular is to give you notice of the General Meeting to be held at 5 Rue de la Chapelle, Luxembourg, L-1325, Luxembourg at 10.30 a.m. GMT / 11.30 a.m. CET on 11 December 2018. The formal notice of the General Meeting is set out at the end of this document.

This document provides you with information about the Restructuring and the Placing and explains why the Board considers these matters to be in the best interests of the Company and its Shareholders, and why the Directors recommend that you vote in favour of the resolutions to be proposed at the General Meeting (the **Resolutions**).

The Placing is conditional on:

(a) the Resolutions being passed;

(b) the Restructuring being completed;

(c) the warranties of the Company in the Subscription Agreements being true as at the date of the Subscription Agreements;

(d) all the Placees participating in the Placing pursuant to the Subscription Agreements; and

(e) Admission.

***The primary reason for the Resolutions is for the Company to be able to raise sufficient funds for the Company to augment its product offering and to meet its ongoing working capital obligations and to enable the Company to continue as a going concern.***

***Original Investors holding in aggregate more than two-thirds of the existing voting rights of the Company have undertaken to, or have indicated their intention to, vote in favour of the Resolutions. Accordingly, it is anticipated that the Resolutions will be approved at the General Meeting and therefore the Restructuring and Placing will proceed.***

***However, if all of the Resolutions relating to the Restructuring and the Placing are not successfully passed at the General Meeting, and no other source of funds has become available to the Company prior to the General Meeting, the Chairman of the General Meeting will table for immediate vote either (i) the resolution authorising the Company to dispose of all or substantially all of its assets if at such time there is a viable offer for such assets or (ii) the resolution authorising the dissolution with immediate effect and voluntary liquidation of the Company.***

**Background to the Placing and use of proceeds**

### *1.1 Information on the Company*

RM2 specialises in pallet development, manufacture, supply and management and is seeking to establish a leading presence in global pallet supply and improve the supply chain of manufacturing and distribution businesses through the effective and efficient use and management of composite pallets.

### *1.2 RM2's strategic progress*

Since 2016, the Company made significant progress in addressing difficulties it has encountered. Firstly, it closed down its manufacturing facility in Toronto and outsourced production to experienced, world class partners. One of these partners, Jabil, now has a dedicated facility in Ciudad Juarez in Mexico, which is fully operational and the Company hopes to exploit more fully the capacity by the end of 2019. Assuming the Placing is successful, it is expected that Jabil will continue to retrofit existing inventory of RM2 Blockpallets with RM2 ELIoT devices (described below). Once the existing inventory is retrofitted, the Company will be able to provide pallets in significant numbers and at a fixed and competitive cost during the second half of the year and thereafter. Equipment is on site with RM2's other manufacturing partner, Zhenshi in China, which, if and when activated, will enable it to provide scalable production subject to funding and product demand.

Secondly, in order to address issues of asset retention, reduction of theft and utilization, the Company has developed its RM2 ELIoT tracking technology. RM2 ELIoT comprises a cellular device which transmits the whereabouts of each pallet, providing a previously unachievable level of confidence in asset security. The underlying technology is believed to be unique to RM2. The Company has conducted a number of trials of RM2 ELIoT-enabled pallets with customers in North America and has signed or is in advanced negotiations for deployment. While the Directors believe that the RM2 ELIoT device is a robust product based on trials and information from component suppliers, it is a new product, and therefore the longevity of which will be demonstrated over its course of service.

### *1.3 Current trading and prospects*

RM2 has an extensive pipeline of potential deployments in North America and Europe, a good percentage of which it expects to be successfully converted over the upcoming 12-18 months. These include numerous potential deployments of RM2 ELIoT pallets, which have generated significant interest from existing and potential customers following a number of trials of the product.

The initial deployment of RM2 ELIoT pallets in a Phase 1 contract with a Fortune 500 customer is continuing and receiving positive customer feedback. The Company successfully completed a 100-unit trial and then entered into a pilot agreement for an initial deployment of some 600 RM2 ELIoT pallets with one of the world's leaders in the logistics industry, serving both internal and external loops. RM2 was also pleased to announce in September this year that it has entered into an agreement for the deployment of standard RM2 BLOCKPAL pallets with a household name in the homewares sector in North America. This contract is expected to generate gross revenues in excess of US$1.5 million on an annual basis subject to certain velocity thresholds being met. Under this contract, RM2 BLOCKPAL pallets are delivered to Walmart's Sam's Club stores.

With the conversion of trials with large customers into long-term contracts taking longer than anticipated, as previously announced, the Company's expectation of turning EBITDA positive in 2019, as first noted on 9 March 2018, is very challenging. The Company will provide further updates on this in due course and in the meantime, continues to implement measures to reduce its cost base. The Company also notes that following the repayment of the mortgage on the office building in Switzerland sold earlier this year, the Company is debt free.

### *1.4 Reasons for the Restructuring and the Placing and use of proceeds*

The proceeds of the Placing will be required for the Company to meet its ongoing working capital obligations and enable the Company to continue as a going concern. Without the Placing proceeds, the Board believes that it is highly likely that the Company will become insolvent, and proceedings, such as administration or liquidation, will be commenced. **The Placing cannot happen without the Restructuring first taking place.**

Accordingly, the net proceeds of this Placing are expected to be used to fund: (i) the retrofitting of existing inventory of RM2 Blockpals with RM2 ELIoT track and trace devices, (ii) the production of new RM2 ELIoT Pallets and (iii) its sales and general administrative costs.

The Company has conditionally raised US$16,837,500 (before fees and expenses) by way of a conditional, non pre-emptive placing of 12,335,162 new Ordinary Shares at the Placing Price. The Placing Price represents a premium of approximately c.17 per cent. to the closing mid-market price of 0.45 pence on 22 November 2018 (rebased to take into account the Restructuring), being the latest practicable date prior to the announcement of the Placing. Assuming Shareholders approve the Placing, the issue of the Placing Shares will take place immediately following the General Meeting.

Following Admission, the Placing Shares will represent approximately 33.03 per cent. of the Enlarged Share Capital. In order to raise funds quickly and to minimize the time and transaction costs of the Placing, the Placing Shares are only being placed with the Placees who subscribed for shares in the First Tranche Subscription, and were due to subscribe for shares in the Second Tranche Subscription. The Placing Shares are not being made available to the public.

The Placing Shares will, when issued, be subject to the Articles, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of Admission.

In connection with the Placing, the Company has entered into Subscription Agreements with the Placees. No element of the Placing is underwritten. In accordance with the terms of the Subscription Agreements, the Placing is conditional upon, amongst other things, the passing of the Resolutions, the conditions in the Subscription Agreements relating to the Placing being satisfied or (if applicable) waived, the Subscription Agreements not having been terminated in accordance with their terms prior to Admission and Admission occurring on or before 12 December 2018.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Subject, inter alia, to the passing of the Resolutions at the General Meeting it is expected that admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Placing Shares on or around 12 December 2018.

**Requirement for future funding**

Taking into account the net proceeds of the Placing, the Company expects to have sufficient cash through at least April 2019, and expects that it will require future funding thereafter to produce RM2 ELIoT pallets, to meet its operating expenses, to respond to business challenges, to enhance existing products and services and to further develop its sales and marketing channels and capabilities. Accordingly, RM2 has commenced developing its future funding strategy and expects to engage in further equity or debt financings in 2019. There is no guarantee that RM2 will be able to obtain this additional financing on terms favourable to it, if at all. In the event that RM2 is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited and in extremis call into questions the Company's financial viability to operate as a going concern.

**Related Party Transaction**

The table below sets out the positions of the Company’s current Significant Shareholders (as defined in the AIM Rules) and its Chairman following the Restructuring and the issue of the Placing Shares.

| | Existing holding of Ordinary Shares (after the Restructuring, and assuming all shares are held in one account, limiting the clawback of fractional shares) | Holding of Ordinary Shares after the Restructuring and issuance of Placing Shares | % of Enlarged Share Capital |
|---|---|---|---|
| Woodford, acting on behalf of funds under its management | 16,100,138 | 25,623,947 | 68.62% |
| Richard Cashin | 2,967,732 | 4,799,233 | 12.85% |
| Polygon Global Partners LLP | 1,516,892 | 1,516,892 | 4.06% |
| R. Ian Molson and associated Family Trusts | 1,479,300 | 2,211,900 | 5.92% |

In addition, certain non-executive directors have conditionally subscribed for Placing Shares as set forth in the table below:

| | Existing holding of Ordinary Shares (after the Restructuring, and assuming all shares are held in one account, limiting the clawback of fractional shares) | Holding of Ordinary Shares after the Restructuring and issuance of Placing Shares | % of Enlarged Share Capital |
|---|---|---|---|
| Lord Rose | 108,478 | 291,628 | 0.78% |
| Paul Walsh | 45,402 | 91,189 | 0.24% |
| Charles Duro | 25,190 | 43,505 | 0.12% |

The participation in the Placing by Woodford, Richard Cashin, R. Ian Molson (through a family vehicle, called The Accommodation Trust) and the abovementioned non-executive directors is deemed to be a related party transaction under Rule 13 of the AIM Rules. David Binks, Jean-François Blouvac, Jan Dekker, Andrew Geisse and Kevin Mazula being Directors not participating in the Placing, consider, having consulted with the Company's nominated adviser, Strand Hanson, that the terms of the respective participations are fair and reasonable insofar as the Shareholders as a whole are concerned.

**General Meeting**

A notice convening a General Meeting, to be held at 5 Rue de la Chapelle, Luxembourg, L-1325, Luxembourg at 10.30 a.m. GMT / 11.30 a.m. CET on 11 December 2018, is set out at the end of this document. At this meeting resolutions will be proposed to authorise the Directors to (i) carry out the various steps of the Restructuring, (ii) issue the Placing Shares on a non pre-emptive basis, and (iii) to amend the Articles accordingly, as set out in the Notice of General Meeting.

For the Resolutions to be validly adopted, at least two-thirds of the votes validly cast by Shareholders present or represented at the General Meeting must be cast in favour and with a quorum of at least 50 per cent. of the Shares issued.

**Original Investors holding in aggregate more than two-thirds of the existing voting rights of the Company have undertaken to, or have indicated their intention to, vote in favour of the Resolutions. Accordingly, it is anticipated that the Resolutions will be approved at the General Meeting and therefore the Restructuring and Placing will proceed.**

**Action to be taken**

Shareholders will find enclosed a Form of Proxy or Form of Instruction for use at the General Meeting. Whether you are going to attend the meeting or not, please complete the Form of Proxy or Form of Instruction, following the instructions, and return it as soon as possible to the Company's Registrars, preferably through the use of their electronic voting system. Electronic votes must be lodged or forms must arrive at the latest by 10.30 a.m. GMT / 11.30 a.m. CET on 6 December 2018 for Forms of Instruction and 10.30 a.m. GMT / 11.30 a.m. CET on 7 December 2018 for Forms of Proxy. Returning the form will not stop you from attending the meeting and voting if you wish to do so.

**Recommendation**

The Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.

R. Ian Molson, Charles Duro, Lord Rose and Paul Walsh will not vote on the Resolutions relating to the Placing due to a conflict of interest. All other Directors who also are Shareholders will be voting in favour of the Resolutions.

Yours sincerely,

**R. Ian Molson**
*Non-Executive Chairman*
*RM2 International S.A.*

# PART II

## Risk Factors

**Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risks set out below as well as the other information contained in this document and any other publicly available information about the Group before making a decision whether to invest in the Company. The risks described below are not the only risks that the Group faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Group's operations. Any of these risks may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In that case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document and their personal circumstances.**

**Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.**

**The following factors do not purport to be a complete list or explanation of all the risks involved in investing in the Company. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.**

### 1 RISKS RELATING TO RM2 AND ITS BUSINESS

#### 1.1 Early stage of operations

The commencement of RM2 earning material revenues is difficult to predict and there is no guarantee that RM2 will generate any material revenues in the near future. RM2 has a limited operating history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. These risks include the uncertainty as to which areas to target for growth. There can be no assurance that RM2’s proposed operations will be profitable or produce a reasonable return, if any, on investment.

#### 1.2 Product development

RM2 intends to continue to develop products which are designed to have a commercial application. There is no guarantee that any such product will be successful nor that any products will actually result in any commercial applications.

The success of RM2 is reliant upon there being a demand for its products. In addition, RM2 relies upon third parties to incorporate its products into their own processes. A particular third party having access to RM2’s products may fail to use the products in an effective process or the products or processes may not be or become commercially viable. There can be no assurance that such products will achieve commercial success or be an attractive alternative to conventional products or processes.

It is possible that RM2 focuses its activities on a limited number of products and technologies and that after such further development has taken place, RM2 finds that the resulting product is not successful or has no profitable commercial application, or that the resulting product has been superseded by other products which have a more profitable commercial application when compared with those of RM2.

The development and manufacture of products takes some time to complete. Depending on the process, RM2 may not be able to develop its products within the timeframe required by its potential customers and/or that targeted by its competitors. Further, the success of RM2 may depend on its continued ability to develop new products and to meet potential customers' changing requirements.

**1.3 Market acceptance**

The development of a market for a new product is affected by many factors, most of which are beyond the control of RM2, including the emergence of newer and more competitive products or processes, the costs of the products, regulatory requirements, including any future regulatory changes, end-users' perceptions as to the safety of any product and the propensity of end-users to try new products or processes.

If a market for any product fails to develop or develops more slowly than anticipated, RM2 may fail to achieve profitability with respect to the associated products. In addition, RM2 may not continue to develop such products or may suspend or delay production of such products to adapt to demand in the market for its products.

**1.4 RM2 may experience accelerated demand for its products and services**

RM2 expects to be able to meet its current capital expenditures from internal resources and the net proceeds of the Placing. In the future, it may explore other sources of financing including invoice discounting and other debt facilities. A need to fulfill large orders rapidly may require RM2 to seek additional capital which could entail the issuance of new equity, debt financing or some combination thereof. If RM2 is unable to raise the necessary additional financing for any expanded working capital requirement it could adversely affect its ability to expand its business.

**1.5 RM2 is expected to experience rapid growth. If RM2 is not able to effectively manage its growth, its operations could be damaged and profitability reduced**

RM2's business and operations are expected to experience rapid growth. This future growth could place significant demands on RM2's operational and financial infrastructure and its ability to expand to meet such growth will be tested. RM2 may need to expand and enhance its infrastructure and technology, and improve its operational and financial systems and procedures and controls from time to time in order to be able to match that growth. If RM2 is unable to manage its growth effectively, its operations could be harmed and profitability reduced. The growth of RM2's sales and profits in the future will depend, in part, on its ability to expand its operations through the roll-out of its products and services to new potential customers and into new markets and geographies. Furthermore, in order to manage its planned expansion, it will need continually to evaluate the adequacy of its management capability, operational procedures, financial controls and information systems. Accordingly, there can be no assurance that RM2 will be able to achieve its expansion goals on a timely or profitable basis.

## 1.6 RM2 will need to ensure that its financial risk limitation policies, procedures and practices remain suitable as RM2 grows

The financial risk limitation policies, procedures and practices RM2 has established to date are suitable for a company of the size and stage of development of RM2. As RM2 seeks to grow, the design and implementation of RM2’s policies, procedures and practices used to identify, monitor and control a variety of risks may fail to be effective. RM2’s financial risk limitation methods rely on a combination of internally developed technical controls, industry standard practices, observation of historical market behaviour and human supervision. These methods may not adequately prevent future losses.

A lack of effective internal controls could have a material adverse effect on RM2’s reputation, business, financial condition and operating results. Any material weaknesses may materially adversely affect RM2’s ability to report accurately its financial condition and results of operations in the future in a timely and reliable manner.

## 1.7 RM2’s expansion may not be successful

RM2’s operations are subject to certain risks including changes in government policies, changes in political and economic conditions, changes in regulatory environments, exposure to different legal, regulatory or fiscal standards, difficulties in staffing and managing operations, and potentially adverse tax consequences. There are no guarantees that RM2 will be able to successfully expand its operations in line with its current expectations.

## 1.8 RM2 may experience unforeseen delays and cost overruns when rolling out its products and services

Management effort and financial resources are being employed by RM2 in rolling out its products and services to potential customers. Although RM2 has budgeted for expected costings, additional expenses in the event of unforeseen delays, cost overruns, unanticipated expenses, regulatory changes and increases in the price of materials and other manufacturing equipment utilised in the production of RM2’s pallets may negatively affect RM2’s business, financial condition and results of operations.

## 1.9 RM2 is dependent on developing relationships with existing and potential customers

The success of RM2’s business is, and is expected to continue to be, dependent on the development of commercial relationships with its existing and potential customers and suppliers. There is no guarantee that these relationships will be developed sufficiently to the point of generating significant revenue for RM2, or that such potential customers will not seek to use alternative providers of products and services similar to those of RM2.

## 1.10 RM2 is dependent on continued availability of raw materials and manufacturing equipment

The raw materials and manufacturing equipment utilised by RM2's manufacturing partners in the delivery of its products and services are readily available from a number of suppliers and counterparties. However, any restriction on the availability of such items may negatively affect RM2’s business, financial condition and results of operations.

## 1.11 The Company depends on component and product manufacturing and logistical services provided by outsourcing partners

Substantially all of the Company's manufacturing is performed in whole or in part by outsourcing partners located in Mexico. The Company has also outsourced much of its transportation and logistics management. While these arrangements may lower operating costs, they also reduce the Company's direct control over production and distribution. It is uncertain what effect such diminished control will have on the quality or quantity of products or services, or the Company's flexibility to respond to changing conditions. Although arrangements with these partners may contain provisions for warranty expense reimbursement, the Company may remain responsible to the consumer for warranty service in the event of product defects and could experience an unanticipated product defect or warranty liability.

Any failure of the Company's outsourcing partners to perform may have a negative impact on the Company's cost or supply of components or finished goods. In addition, manufacturing or logistics in these locations or transit to final destinations may be disrupted for a variety of reasons including, but not limited to, natural and man-made disasters, information technology system failures, commercial disputes, military actions or economic, business, labour, environmental, public health, or political issues.

The Company has invested in manufacturing process equipment, much of which is held at certain of its outsourcing partners, and has made prepayments to certain of its suppliers associated with long-term supply agreements. While these arrangements help ensure the supply of components and finished goods, if these outsourcing partners or suppliers experience severe financial problems or other disruptions in their business, such continued supply could be reduced or terminated and the net realisable value of these assets could be negatively impacted.

## 1.12 The Company faces substantial inventory and other asset risk in addition to purchase commitment cancellation risk

The Company orders products and builds inventory in advance of purchase orders. Because the Company's markets are developing, competitive and subject to other changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient amounts of products.

## 1.13 Future operating results depend upon the Company's ability to obtain RM2 ELIoT components and products in sufficient quantities on commercially reasonable terms and on the timely introduction of LTE-M (Long Term Evolution (4G)) technology

Because the Company currently obtains RM2 ELIoT components and products from single or limited sources, the Company is subject to significant supply and pricing risks. There can be no assurance that the Company will be able to negotiate, extend or renew supply agreements on similar terms, or at all. Suppliers of components may suffer from poor financial conditions, which can lead to business failure for the supplier or consolidation within a particular industry, further limiting the Company's ability to obtain sufficient quantities of components on commercially reasonable terms. The effects of global or regional economic conditions on the Company's suppliers also could affect the Company's ability to obtain components and products. Therefore, the Company remains subject to significant risks of supply shortages and price increases.

The cellular LTE-M network is expected to be introduced throughout much of North America in the course of 2018. That network will permit the utilization of a new, simpler and less-expensive chip-set. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or manufacturing capacity has increased. The supply of components could be delayed or constrained, or a key manufacturing vendor could delay shipments of completed products to the Company.

**1.14 Exchange rate fluctuations**

RM2's principal revenues in the near term are expected to be earned in US$. Currency fluctuations may affect RM2's operating cash flow since certain of its costs and revenues are likely to be denominated in a number of different currencies other than US$ and any potential income may become subject to exchange control or similar restrictions. Fluctuations in exchange rates between currencies in which RM2 operates may cause fluctuations in its financial results which are not necessarily related to its underlying operations.

RM2 does not currently have any foreign currency hedges in place. If and when appropriate, the adoption of a hedging policy will be considered by the Board.

**1.15 Competition**

There can be no assurance that potential competitors of RM2, which may have greater financial, research and development, sales and marketing and personnel resources than RM2, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by RM2 or which would otherwise render its products or strategies obsolete.

RM2 operates within competitive markets and the Directors believe that it has adopted a competitive business strategy. However, RM2's business, results, operations and financial condition could be materially adversely affected by the actions of its competitors (including their marketing and pricing strategies and product and services development).

RM2 may be forced to change the nature of its business as a result of competitive factors and there is no assurance that RM2 will be able to compete successfully in the market place in which it seeks to operate.

**1.16 Manufacturing technology**

Even if new and advanced manufacturing or production equipment becomes available for the production of RM2's products, RM2 may not have funds available or be able to obtain necessary financing on acceptable terms to acquire it for use by its manufacturing contractors, or agree for its manufacturing contractors to acquire or utilise it. Further, any investment RM2 may make in a perceived technological advance may not be effective, economically successful or otherwise accepted in the market.

**1.17 RM2's expenses include fixed costs**

A significant proportion of RM2's costs may be fixed and may not then be easily reduced in the short-term. Therefore, RM2 may not be able to reduce certain expenses promptly in response to any future reduction in revenue. Should such a reduction occur and RM2 be unable to reduce its fixed expenses accordingly, its business, financial condition and results of operations may be materially adversely affected.

## 1.18 Ability to attract and retain key executives, officers, managers and technical personnel

RM2 is headquartered in Luxembourg. The Chief Executive Officer is currently based in North America and the Chief Financial Officer and the principal sales office are located in Switzerland. Attracting, training, retaining and motivating technical and managerial personnel, including individuals with significant technical expertise is a critical component of the future success of RM2's business. RM2 may encounter difficulties in attracting or retaining qualified personnel. Managing from disparate locations can pose challenges in communication and decision-making. Continued growth may cause a significant strain on existing managerial, operational, financial and information systems resources.

The performance of RM2 depends, to a significant extent, upon the abilities and continued efforts of its existing senior management as well as the recruitment of further senior management in line with the planned growth in operations. The loss of the services or failure to recruit key management personnel or the failure to retain or recruit key employees or the inability to effectively communicate across international offices could adversely affect RM2's ability to maintain and/or improve its operating and financial performance. In common with many businesses, the success of RM2 will, to a significant extent, be dependent on the expertise and experience of the Directors and key senior management, the loss of one or more of whom could have a material adverse effect on RM2.

## 1.19 RM2's disaster recovery plans may not be sufficient and if they are not then there could be a material adverse effect on its financial position

RM2 depends on the performance, reliability and availability of its information technology and communications systems. Any damage to or failure of its systems could result in disruptions to RM2's operations and websites, which could reduce its revenues and profits, and damage its brands.

RM2's systems are vulnerable to damage or interruption from power loss, telecommunications failures, computer viruses, computer denial of service attacks or other attempts to harm its systems, natural disasters, including floods and fires, volcanic ash and vandalism, terrorist attacks or other acts.

RM2's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all.

RM2 relies on third parties, including data centres and bandwidth providers, to host and operate its websites. Any failure or interruption in the services provided by these third parties could harm its operations and reputation. In addition, RM2 may have little or no control over these third parties, which increases its vulnerability to service problems. Any disruptions in the services provided by these parties or any failure of these providers to handle current or higher visitor traffic or transaction volumes could significantly harm RM2's business. RM2 may in the future experience disruptions or delays in these services. If these providers were to suffer financial or other difficulties, their services could be interrupted or discontinued and replacement providers may be uneconomical or unavailable. Any of these events could have a material adverse effect on RM2's business, operating profit and overall financial condition.

## 1.20 Political, economic, regulatory and legislative considerations

Adverse developments in the political, legal, economic and regulatory environment may materially and adversely affect the financial position and business prospects of RM2. Political and economic uncertainties include, but are not limited to, expropriation, nationalisation, changes in interest rates, the retail prices index, changes in taxation, changes in trade tariffs and trade treaties and changes in law. Whilst RM2 strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that adverse political, economic, legal and regulatory factors will not materially and adversely affect RM2.

**1.21 Development of technology**

Continuing research on and development of RM2's technology may be required and there can be no assurance that any of its future technology will be successfully developed or exploited. RM2 may encounter delays and incur additional research and development costs and expenses over and above those anticipated or allowed for by the Directors. For example while the Directors believe that RM2 ELIoT is a robust product based on trials and information from component suppliers, it is a new product which has not yet been able to demonstrate its longevity.

**1.22 Unforeseen factors and developments**

RM2's ability to implement its business strategy may be adversely affected by factors that it cannot currently foresee, such as unanticipated costs and expenses, technological change and severe economic downturn. All of these factors may necessitate changes to the business strategy described in this document.

**1.23 Market acceptance and future funding**

Whilst the Directors believe that there are viable markets for RM2's products and services, there can be no assurance that these will be generally adopted by RM2's existing and potential client base.

Whilst the Directors believe that, taking into account the net proceeds of the Placing, RM2 has sufficient working capital at least through April 2019, there can be no assurance that RM2 would have sufficient resources to fund its operations beyond that period.

**1.24 Regulatory environment**

RM2's operations may be subject to a variety of national, federal, provincial, state, foreign and local laws and regulations, including environmental, health and safety laws, regulations, treaties and conventions (together, **Regulations**).

This includes, inter alia, those controlling the discharge of materials into the environment, requiring removal and clean-up of environmental contamination, establishing certification, licensing, health and safety, taxes, labour and training standards, operation of equipment or otherwise relating to the protection of human health and the environment, and export control regulations. The amendment or modification of existing Regulations or the adoption of new Regulations curtailing or further regulating RM2's business could have a material adverse effect on RM2's operating results and financial condition.

Whilst RM2 intends to work to comply with all applicable Regulations, it cannot predict the extent to which future earnings or capital expenditures may be affected by compliance with such new Regulations. In addition, RM2 may be subject to significant fines, penalties or liability if it does not comply with any such existing or future Regulations.

There may be a change in the regulatory environment which may materially adversely affect RM2's ability to implement successfully the strategy set out in this document.

**1.25 Intellectual property and proprietary rights**

RM2 relies upon maintaining the confidentiality of the exact nature of the BLOCKPAL manufacturing process and its RM2 ELIoT technology and does not for example have any patents. The details of the manufacturing process and its RM2 ELIoT technology are the Company's most important intellectual property. The Company protects this intellectual property by ensuring that its relevant employees and manufacturers have confidentiality provisions in their employment and manufacturing contracts preventing them from disclosing the confidential information of the Group to anyone outside of the Group. RM2 ensures relevant suppliers have entered into non-disclosure agreements restricting disclosure by such suppliers of the confidential information of the Group.

However, RM2 cannot be sure that other competitors will not infringe upon, violate, challenge or reverse engineer its intellectual property in the future. If RM2 is not able to adequately protect or enforce its intellectual property rights, its business, results of operations and financial condition may be materially adversely affected.

RM2 is also subject to the risk that third parties may allege that RM2's operations and use of technology infringes upon their intellectual property rights. RM2 cannot be sure that such litigation will not be brought against RM2 in the future and, if brought, whether RM2 would be successful in defending itself against such claims. Moreover, defending such claims may result in protracted litigation, which could result in substantial costs and the diversion of RM2's resources, as a result of which RM2's business, results of operations and financial condition may be adversely affected. Furthermore, RM2 customer contracts may contain indemnities, whereby RM2 may agree to indemnify its customers for third party intellectual property infringement claims and RM2 cannot be sure that it would have no liability to its customers in such circumstances.

**1.26 Reliance on manufacturing sector for bulk of pallet orders**

RM2 is reliant on the manufacturing sector of the economy to produce goods in sufficient volumes to drive demand for pallets on which to transport those goods. A reduction in manufacturing output may lead to a reduction in the size of the pallet market and in turn RM2 may find it more difficult to obtain orders to produce or lease pallets.

**1.27 Increases in input costs**

RM2's operations require raw materials, road transportation and water and electricity supply. Any increase in these input costs would affect the profitability of RM2 which may find it difficult to pass on such increased costs to potential customers.

## 2 RISKS RELATING TO THE COMPANY'S DOMICILE

**2.1 Disclosure of interests in shares**

Under the Luxembourg Companies Law, shareholders in RM2 are not obliged to disclose their interests in a company in the same way as shareholders of certain public companies incorporated in the United Kingdom. In particular, the Disclosure Guidance and Transparency Rules do not apply. The Articles have been amended to incorporate provisions equivalent to those contained in the Disclosure Guidance and Transparency Rules, but these may be amended by a resolution of the Shareholders.

### 2.2 Takeovers

As RM2 is not admitted to trading on a “regulated market”, it is not subject to any takeover laws in Luxembourg or elsewhere.

## 3 RISKS RELATING TO THE ORDINARY SHARES

### 3.1 Suitability

Investment in the Ordinary Shares may not be suitable for all readers of this document. All potential investors are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

### 3.2 Investment in AIM-traded securities

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those rules that govern companies admitted to the Official List. It is emphasised that no application is being made for the admission of RM2’s securities to the Official List or to any other investment exchange other than AIM. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in RM2 may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of RM2. Investors may therefore realise less than, or lose all of, their investment.

### 3.3 Share price volatility and liquidity

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to RM2 and its operations and others which may affect quoted companies generally. These factors could include the performance of RM2, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions.

### 3.4 Access to further capital

Following completion of the Placing, RM2 expects in future to require additional funds to produce RM2 ELIoT pallets, to meet its operating expenses, to respond to business challenges, to enhance existing products and services and to further develop its sales and marketing channels and capabilities. Accordingly, RM2 expects to engage in further equity or debt financings to secure additional funds. If RM2 raises additional funds through issues of equity or convertible debt securities, existing shareholders could suffer further significant dilution, and any new equity securities or convertible debt securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by RM2 in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for RM2 to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, RM2 may not be able to obtain additional financing on terms favourable to it, if at all. If RM2 is unable to obtain adequate financing or financing on terms satisfactory to it, when required, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

### 3.5 Dilution

The Placing Shares will give rise to significant dilution for Shareholders and, if available, future financings to provide required capital may dilute shareholders' proportionate ownership in RM2. Following completion of the Placing, RM2 may raise capital in the future through public or private equity financings or by issuing debt securities convertible into Ordinary Shares, or rights to acquire these securities (which, in any such case, may not be made available to existing holders of Ordinary Shares). If RM2 raises significant amounts of capital by these or other means, that could cause further dilution for RM2's existing shareholders. Moreover, the Placing and/or the further issue of equity could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. RM2 may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of RM2's share capital in which investors are interested.

### 3.6 Future sale of Ordinary Shares

RM2 is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following the Placing. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. RM2 may require additional capital in the future which may not be available to it.

### 3.7 Exchange rate risk to investors

RM2's functional currency is US$. Fluctuations in currency could have an adverse effect on the value of an investor's holdings in RM2 where the principal accounting currency of the investor is not US$ or where there are inverse fluctuations between Sterling, the currency in which the Ordinary Shares are quoted, and US$, the currency in which the Company's results are reported.

### 3.8 Dividends

There can be no assurance as to whether dividends will be paid in future or in what amount. Subject to compliance with the Luxembourg Companies Law and the Articles, the declaration, payment and amount of any future dividends are subject to approval by the shareholders at a general meeting, and will depend on, inter alia, the Company's earnings, financial position, cash requirements and availability of profits. A dividend may never be paid and, at present, there is no intention to pay a dividend in the short to medium term.

### 3.9 If the Resolutions relating to the Restructuring and the Placing are not passed, the Company will not be able to proceed with the Placing in the form currently envisaged

The Placing is conditional, inter alia, on the passing of the Resolutions. In the event that the Resolutions relating to the Restructuring and the Placing are not passed, the Company will not be able to proceed with the Placing, with the result that the anticipated net proceeds of the Placing will not become available to fund proposed upcoming expenditure and achieve the objectives currently pursued by the Board. The Group is unlikely to be able to continue as a going concern as a result.

### 3.10 Major shareholder Woodford is able to exercise significant influence over matters requiring Shareholder approval

Certain investment funds and client mandates discretionary managed by Woodford currently own a total of 3,220,027,777 Shares, representing, in aggregate, 64.4 per cent. of the Company's issued share capital. Following completion of the Restructuring and Placing, in which, as noted in Part 1 of this document, Woodford has participated, Woodford's holding in the Enlarged Share Capital will be 68.62 per cent. However, as the voting rights of Ordinary Shares held by LF Woodford Equity Income Fund, Omnis Income & Growth Fund and Woodford Patient Capital Trust Plc (each a fund managed by Woodford, acting as agent for and on behalf of each fund) are limited in aggregate to 19.5 per cent., 19.5 per cent. and 49 per cent., respectively, of the total number of votes of the Ordinary Shares in accordance with the Articles, Woodford's total voting rights following the Restructuring and the Placing will be 45.6 per cent.

In addition, Woodford benefits from the right to have the Board nominate for election by the Shareholders such director as Woodford may designate. For as long as Woodford does not exercise its rights to designate a director, it will have the right to appoint an observer to attend Board meetings. For as long as Woodford has designated a director appointed to the Board, the quorum for Board meetings will include that director.

As a result, Woodford is able to exercise a significant degree of influence over matters requiring Shareholder approval, including the election of Directors and significant corporate transactions.

**The risks noted above do not necessarily comprise all of the risks potentially faced by RM2 and are not intended to be presented in any assumed order of priority.**

**Although RM2 will seek to minimise the impact of the Risk Factors, investment in RM2 should only be made by investors able to sustain a total loss of their investment. Potential investors are strongly recommended to consult an investment adviser authorised under FSMA, who specialises in investments of this nature before making any decision to invest.**

## Definitions

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

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| **Admission** | the admission of the Placing Shares to trading on AIM becoming effective (pursuant to Rule 6 of the AIM Rules for Companies); |
| **AIM** | the AIM market of the London Stock Exchange; |
| **AIM Rules** | the rules for AIM companies and their nominated advisers issued by the London Stock Exchange; |
| **Articles** | articles of association of the Company; |
| **BLOCKPAL** | the composite pallet produced and deployed by the Company; |
| **Board** | the board of Directors of RM2; |
| **CET** | Central European Time; |
| **CREST** | the relevant system (as defined in the CREST Regulations) of which Euroclear UK & Ireland is the Operator (as defined in the CREST Regulations); |
| **CREST Regulations** | the Uncertificated Securities Regulations 2001 (as amended); |
| **Directors** | the directors of RM2; |
| **Disclosure Guidance and Transparency Rules** | the disclosure guidance and transparency rules issued by the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part V of FSMA; |
| **Enlarged Share Capital** | the number of Ordinary Shares in issue following the Restructuring and the issue of the Placing Shares; |
| **Euroclear UK & Ireland** | The Euroclear UK & Ireland Limited, a company incorporated in England and Wales, being the Operator of CREST; |
| **First Tranche Subscription** | the issuance of the first tranche of 1,279,049,295 Old Ordinary Shares which took place following authorisations received at the general meeting of the Company held on 13 April 2018; |
| **Form of Instruction** | the form of instruction for use in connection with the General Meeting accompanying this document; |
| **Form of Proxy** | the form of proxy for use in connection with the General Meeting accompanying this document; |

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| **Fractional Old Shares** | the Old Ordinary Shares which cannot be exchanged into a Two Dollar Share following the Share Consolidation; |
| **FSMA** | the Financial Services and Markets Act 2000, as amended; |
| **General Meeting** | the extraordinary general meeting of RM2 to be held at 5 Rue de la Chapelle, Luxembourg, L-1325, Luxembourg at 10.30 a.m. GMT / 11.30 a.m. CET on 11 December 2018 at which the Resolutions will be proposed; |
| **GMT** | Greenwich Mean Time; |
| **Group** | the Company and its subsidiary undertakings; |
| **Key Performance Indicators** | reducing operating costs of the business to a pre-determined level, launching next generation IoT Cat M RM2 ELIoT pallets and achieving commercial deployment of RM2 ELIoT pallets by certain milestones, as determined to Woodford's satisfaction |
| **London Stock Exchange** | the London Stock Exchange plc; |
| **Luxembourg Companies Law** | Loi du 10 août 1915 concernant les sociétés commerciales (telle que modifiée) – Law dated August 10, 1915 concerning commercial companies (as amended); |
| **Notice of General Meeting** | the notice of the General Meeting set out at the end of this document; |
| **Official List** | the official list of the UK Listing Authority; |
| **Old Ordinary Shares** | the ordinary shares of US$0.01 each in issue before the Restructuring; |
| **Operator** | the meaning given to it in the CREST Regulations; |
| **Ordinary Shares** | ordinary shares of $0.01 each in the capital of RM2 following the Restructuring; |
| **Original Investors** | the original placees who would have participated in the Second Tranche Subscription; |
| **Placees** | all of the Original Investors, other than one, who had previously agreed to participate in the Second Tranche Subscription and who will now participate in the Placing; |
| **Placing** | the conditional placing of the Placing Shares pursuant to the terms of the Subscription Agreements; |

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| **Placing Price** | 105 pence per Placing Share following the Restructuring; |
| **Placing Shares** | 12,335,162 Ordinary Shares to be issued by RM2 pursuant to the Placing at the Placing Price following the Restructuring; |
| **Resolutions** | the Resolutions relating to the Restructuring and the Placing and the resolutions to authorize the Directors to sell all or substantially all of the assets of the Company and the resolution to dissolve the Company with immediate effect and the place the Company in involuntary liquidation; |
| **Resolutions relating to the Restructuring and the Placing** | the resolutions to authorise the Directors to disapply existing Shareholders' pre-emption rights in relation to the Restructuring and to the issue of the Placing Shares, and to amend the Articles, to be proposed at the General Meeting; |
| **Restructuring** | the Restructuring of the Shares (including the Share Consolidation) resulting in the share capital of the Company being reduced from 5,001,781,964 ordinary shares of US$0.01 to 25,008,909 Ordinary Shares of US$0.01 each; |
| **RM2 or the Company** | RM2 International S.A.; |
| **RM2 ELIoT** | RM2 ELIoT tracking technology, comprising a cellular device which transmits the whereabouts of each pallet; |
| **Second Tranche Subscription** | the anticipated second tranche of 1,256,161,970 Old Ordinary Shares that it was anticipated would be issued at a placing price of 1 pence per Old Ordinary Share following the satisfaction of the Key Performance Indicators set out in the circular dated 29 March 2018; |
| **Securities Act** | the US Securities Act 1993, as amended; |
| **Share Consolidation** | the share consolidation whereby every 200 Old Ordinary Shares will be consolidated into one Two Dollar Share with a nominal value of US$2.00 as part of the Restructuring; |
| **Shareholders** | holders of Shares; |
| **Shares** | Old Ordinary Shares, Two Dollar Shares and Fractional Old Shares (as applicable); |
| **Strand Hanson** | Strand Hanson Limited, the Company's nominated adviser under the AIM Rules; |
| **Subscription Agreements** | the agreements dated 23 November 2018 entered into between the Placees and RM2 in connection with the Placing; |

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| **Two Dollar Shares** | the ordinary shares of US$2.00 each in issue following Share Consolidation; |
| **UK** | the United Kingdom; |
| **US or United States** | the United States of America; and |
| **Woodford** | Woodford Investment Management Ltd. |

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom, all references to “US$” or “$” are to the lawful currency of the United States.

## Notice Convening the Extraordinary General Meeting

**RM2 INTERNATIONAL S.A.**
**Société anonyme**
**5, rue de la Chapelle**
**L-1325 Luxembourg**
**R.C.S. Luxembourg B 132 740**

The shareholders of the Company are hereby convened to the

**EXTRAORDINARY GENERAL MEETING**

which will be held at 5, rue de la Chapelle, L-1325 Luxembourg on **11 December 2018** at 11.30 a.m. local time
with the following agenda:

***AGENDA***

**1.** Presentation of the special report of the board of directors of the Company as foreseen by article 441-7 of the Luxembourg law on commercial companies in relation to the conflicts of interest of directors;

**2.** Decision to decrease the subscribed share capital by an amount of USD 1.64 so as to decrease it from its amount of USD 50,017,819.64 to the amount of USD 50,017,818.- represented by 5,001,781,800 Ordinary Shares having a nominal value of USD 0.01 (the “Old Ordinary Shares”) each such that the share capital is set at a number divisible by 200, by cancellation of 164 Old Ordinary Shares held as treasury shares by the company;

**3.** Presentation of the report of the board of directors of the Company in relation to the consolidation of the issued Old Ordinary Shares of the Company by applying an exchange ratio of 1:200 (1 new ordinary share for 200 Old Ordinary Shares) referred to in item 4 of the agenda and to the elimination of any fractional shares held by shareholders referred to in item 5 of the agenda;

**4.** Decision to consolidate the issued Old Ordinary Shares of the Company by applying an exchange ratio of 1:200 (one new ordinary share for 200 Old Ordinary Shares) by the compulsory and immediate exchange of the 5,001,781,800 issued Old Ordinary Shares for 25,008,909 ordinary shares with a nominal value of USD 2.00- each (the “Two Dollar Ordinary Shares”) having the same rights and obligations as those attached to the Old Ordinary Shares, resulting in the modification of the nominal value of the issued Two Dollar Ordinary Shares from 0.01 USD per share to 2.00 USD per share without amending the amount of the share capital;

**5.** Decision to eliminate any fractional shares held by shareholders by requiring the mandatory forfeiture to the Company without consideration of any Old Ordinary Shares which cannot be exchanged into one Two Dollar Ordinary Share following the consolidation referred to in item 4 above (the “Fractional Old Shares”), and authorization to the Company (i) to consolidate the Fractional Old Shares forfeited to the Company into Two Dollar Ordinary Shares and (ii) to hold such Two Dollar Ordinary Shares as treasury shares;

**6.** Decision to authorize the board of directors (i) to implement and execute the above taken decision related to the cancellation of 164 Old Ordinary Shares, (ii) to implement and execute the above taken decisions related to the consolidation of the Old Ordinary Shares, (iii) to take all steps related to the formalization and the completion of the exchange and the cancellation of the Fractional Old Shares, (iv) to make all declarations and give all confirmations required in relation thereto and (v) to take all and any further steps and to execute any further documents which the board of directors may deem to be necessary or desirable to accomplish the purposes and acts herein specified;

7. Decision to suppress the nominal value of the Two Dollar Ordinary Shares;

8. Decision to decrease the subscribed share capital by an amount of USD 49,767,728.91 so as to decrease it from its amount of USD 50,017,818 to the amount of USD 250,089.09 represented by 25,008,909 Two Dollar Ordinary Shares without nominal value, by absorption of deferred losses for an equivalent amount and by amending the par value of the Two Dollar Ordinary Shares;

9. Decision to reintroduce a nominal value to the Two Dollar Ordinary Shares and to set the nominal value of the Two Dollar Ordinary Shares at USD 0.01 (the "Ordinary Shares");

10. Presentation of the special report of the board of directors of the Company as foreseen by article 420-26 (5) of the Luxembourg law on commercial companies in relation to the suppression of the preferential right of subscription regarding the restatement and increase of the authorized share capital referred to in item 12 below;

11. Suppression of the preferential right of subscription of the existing shareholders of the Company for the issue of shares related to the restatement and increase of the authorized share capital referred to in item 12 of the agenda;

12. Restatement and increase of the authorized share capital authorizing the board of directors to increase the subscribed share capital of the Company in one or more tranches up to the amount of USD 168,677.62 and to realize the increases of the share capital with or without share premium by the issue of new Ordinary Shares, grant of options exercisable into Ordinary Shares, rights to subscribe for or convert any instruments into Ordinary Shares against payment in cash or in kind, by contribution of claims, by capitalization of share premiums and/or other available distributable reserves (including in favor of new shareholders) or in any other manner to be decided by the board of directors, as follows:

    - Special authorization to the board of directors to proceed to such increases of the subscribed share capital of the Company by the issue of Ordinary Shares up to the amount of USD 130,677.62 and by cancelling or limiting the existing shareholders preferential right to subscribe for such Ordinary Shares;
    - Special authorization to the board of directors to proceed to such increases of the subscribed share capital of the Company by the issue of Ordinary Shares up to an amount of USD 38,000.00, and by cancelling or limiting the existing shareholders preferential right to subscribe for such Ordinary Shares, under the provisions of the existing employee share option scheme program and/or by capitalization of share premium and/or other available distributable reserves in the framework of the provisions of the article 420-26 (6) of the Luxembourg law concerning the commercial companies in relation to allocation of shares to employees and to determine the terms and conditions of such issues.

13. Decision to amend the relevant provisions of the Articles of Association of the Company, so as to reflect the above decisions taken;

14. If all the above resolutions are successfully passed, but the share issuance foreseen in the shareholders' circular does not complete in a timely manner, authorization to the board of directors to proceed to the sale or disposition (or contribution), directly by the company or indirectly through its subsidiaries, of all, substantially all or a significant part of the assets, trading business or activities of the company and/or the group and to determine in its full discretion the form, terms and conditions of such action;

***If all of the above resolutions are not successfully passed at the General Meeting, and no other source of funds has become available to the Company prior to the General Meeting:***

**15.** Authorization to the board of directors to proceed to the sale or disposition (or contribution), directly by the company or indirectly through its subsidiaries, of all, substantially all or a significant part of the assets, trading business or activities of the company and/or the group and to determine in its full discretion the form, terms and conditions of such action;

***If all of the above resolutions, including the one relating to the disposal of all or substantially all of its assets, are not successfully passed at the General Meeting and no other source of funds has become available:***

**16.** Dissolution with immediate effect and voluntary liquidation of the Company, and appointment of Mr. Charles Duro as liquidator of the Company and determination of the powers of the liquidator and the liquidation procedure of the Company;

**17.** Miscellaneous.