15 December 2016

SigmaRoc plc
(“SigmaRoc” or the “Company”)

Reverse Acquisition of Ronez Limited for £45 million

Placing of New Ordinary Shares to raise £40 million

Placing of Convertible Loan Notes to raise £10 million

Proposed Share Consolidation

Notice of General Meeting

SigmaRoc (AIM:SRC) is pleased to announce that it has conditionally agreed to acquire Ronez, a wholly owned subsidiary of Aggregate Industries, part of the LafargeHolcim Group, for £45.0 million in cash (the “**Consideration**”). In conjunction with the Acquisition, the Company also announces that it has conditionally raised approximately £50 million (before expenses) via the issue of 100,000,000 New Ordinary Shares and 10,000,000 Convertible Loan Notes.

Strand Hanson Limited is acting as Nominated and Financial Adviser to the Company, and Zeus Capital Limited is acting as Broker to the Placing.

Highlights of the proposed Acquisition and Placing:

- Consideration payable by the Company in respect of the Acquisition of £45.0 million in cash.
- Placing of 100,000,000 New Ordinary Shares at 40 pence per share and 10,000,000 Convertible Loan Notes at £1 per note to raise approximately £50 million before expenses.
- Net proceeds of the Placing will be used to satisfy the Consideration and for working capital purposes.
- Ronez is a fully integrated producer of construction materials and operates two hard rock quarries and multiple business lines with associated production units across Jersey and Guernsey, with approximately 3.36Mt of Proved Mineral Reserves and a further 6.22Mt of Measured and Indicated Mineral Resources.
- In 2015, Ronez recorded revenue of £26.3 million and operating profit before tax of £2.94 million.
- Ronez is a cash-generating and profitable business, with an established track record, providing the Company with a platform to accelerate its growth and fund the continued execution of its wider business plan, being the pursuit of acquisitions of high quality and niche market assets in the construction materials sector.
- Share Consolidation with a ratio of 104:1 such that, subject to the passing of the Resolutions, for each 104 Existing Ordinary Shares held, Shareholders will be issued one New Ordinary Share worth 40 pence each (based on the price immediately prior to the Company’s suspension announcement of 5 October 2016) on Admission.

Due to its size and nature, the Acquisition constitutes a reverse takeover of the Company pursuant to the AIM Rules. The Acquisition will be conditional on, *inter alia*, approval of Shareholders at the General Meeting to be held at 12.00 noon on 3 January 2017 at the offices of Artemis Trustees Limited, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL Channel Islands.

The Notice of General Meeting, along with an admission document dated 15 December 2016 ("**Admission Document**"), has today been posted to Shareholders. A Form of Proxy has also today been sent to Shareholders and can be downloaded from the Company's website: www.sigmaroc.com. Shareholders are encouraged to return their Form of Proxy as soon as practicable or, in any event, by no later than 12.00 p.m. on 29 December 2016. The Form of Proxy must be sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or by email to proxies@shareregistrars.uk.com.

Information extracted from Part I ("Letter from the Chief Executive Officer of SigmaRoc plc") of the Admission Document is set out below. A copy of the Admission Document is available on the Company's website: www.sigmaroc.com.

Assuming that the Resolutions are approved, it is expected that the Acquisition will complete, Admission will occur and trading in the New Ordinary Shares will commence at 8.00 a.m. on 5 January 2017. Accordingly, trading in the Ordinary Shares will remain suspended until such time.

Capitalised terms used in this announcement carry the same meaning as those ascribed to them in the Admission Document, unless the context requires otherwise.

Max Vermorken, Chief Executive Officer of SigmaRoc, commented:

"Ronez presents an excellent opportunity to acquire a profitable and well managed building materials business in a very stable market. It will be our cornerstone asset and a great starting point in the journey to grow a niche focused building materials business. We look forward to working with the local management team and are confident that we can support them to further improve on Ronez's impressive operational and financial performance.

"The acquisition of Ronez is the first of what we anticipate being a pipeline of value accretive deals and we are delighted to have secured broad buy in from UK and Channel Island investors keen to support our ambitions."

For further information, please contact:

SigmaRoc plc Max Vermorken	+44(0)20 7193 4470
Strand Hanson Limited (Nominated and Financial Adviser) James Spinney James Dance	+44(0)20 7409 3494
Zeus Capital Limited (Broker) Rob Collins Alex Wood	+44(0)20 3829 5000
Tavistock (Public Relations Adviser) Jos Simson Emily Fenton	+44(0)20 7920 3150
Orchard PR (Guernsey Public Relations Adviser) Emma Anderson	+44(0)1481 251251

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Information on Ronez

History of Ronez

Evidence exists that quarrying began in the Channel Islands in the seventeenth century, with commercial quarrying activities on Jersey and Guernsey quarry sites dating back to the mid-nineteenth century.

Ronez initially began quarrying operations in Jersey in 1869, under the name of Jersey Cement and Granite Co. Ltd. ("**JCG**") and, in the early 1960s, commenced operations in Guernsey via the acquisition of, *inter alia*, Les Vardes Quarry, thereby linking what were the separate quarrying traditions of the two islands.

Following several further acquisitions, consolidating quarrying activities in the Channel Islands, in 1967, JCG changed its name to Ronez and, in 1996, was acquired by CAMAS plc ("**CAMAS**") which, in 1997, merged with Bardon Aggregates to become Aggregate Industries.

A summary timeline of key events is set out below:

DATE	ACTIVITY /EVENT
1780s	Les Vardes Quarry commences commercial production on Guernsey (ownership unknown)
1869	JCG commences commercial production at St John's Quarry on Jersey
1890s	Chouet Quarry commences commercial production on Guernsey (ownership unknown)
1962	JCG commences commercial production at Les Vardes Quarry on Guernsey
1967	JCG changes its name to Ronez Limited
1984	Geological investigation into the future re-development of the Chouet Quarry
1996	CAMAS demerges from English China Clays and takes over ownership of Ronez
1997	CAMAS merges with Bardon Aggregates to form Aggregate Industries
2005	Holcim acquires Aggregate Industries
2015	Lafarge and Holcim merge to form LafargeHolcim
2016	SigmaRoc bids to acquire Ronez from Aggregate Industries

Production and services

Ronez currently operates two quarries, St John's Quarry in Jersey and Les Vardes Quarry in Guernsey, as well as multiple associated and downstream businesses on both islands, producing a full range of construction materials for sale into the local market, including aggregates, ready mixed concrete, asphalt, precast concrete products and cement, as well as providing certain services, including road contracting.

On Jersey, all operational sites are located on the north coast of the island at St John's Quarry, with the exception of the cement importation terminal on the south coast at St Helier. On Guernsey, Les Vardes Quarry and an asphalt plant are located on the north coast, with all other operational sites located on the north east coast at Les Monmain and in the case of the cement importation terminal, at St Sampson's Port. The location of each quarry and operational site can be seen in Figure 1 and brief descriptions of the products and services offered by Ronez are set out below:

Aggregates
At each of its quarries, Ronez operates plant and machinery producing various sizes of crushed rock aggregates from the raw material extracted from the quarries. The aggregates produced are sold directly to the local construction industry or to the general trade and retail markets, as well as internally to form the basis for the range of construction products and materials produced at Ronez's various downstream operations on the islands. The total sale of aggregates to third parties (including secondary and imported products, as described below) represented approximately 10 per cent. of Ronez's revenue for the year ended 31 December 2015.

Secondary aggregates
In Guernsey, Ronez owns 65 per cent. of Island Aggregates, which is a joint venture with Island Waste (which holds the remaining 35 per cent.) and produces recycled secondary aggregates from the island's construction and demolition waste. The secondary aggregates are primarily used as fill material in situations where specification, except for sizing, is not required.

Island Aggregates is located at Ronez's Les Monmain site, in the north east of Guernsey and its operations consist of processing equipment which produces various sized secondary aggregate products from the waste material for onward sale. Material to be recycled is delivered by customers and a gate fee is charged on deliveries by weight. Island Aggregates' operational equipment and staff are leased and contracted respectively from the joint venture partners.

Importation aggregates
In Guernsey, local sand is only available on the island's beaches and is not permitted to be extracted. Accordingly, Ronez imports the fine sand from the UK mainland via the port near Les Monmain. The fine sand blended with the crushed rock fines produced at the quarries to produce a material that is utilised in Ronez's downstream operations as well as being supplied to the local general trade and retail markets.

Ready mixed concrete (RMX)
Ronez has ready mix concrete production sites in both Jersey and Guernsey, which supply a range of products from floor screeds to designed mixes for structural applications, in accordance with British and European standards. The RMX plants allow for an extensive range of products to be produced and can be supported through the concrete products business in case of large pours or planned shutdowns. The sites are serviced by a fleet of RMX trucks that deliver the concrete to Ronez's customers. Ronez also operates concrete placing pumps. Both RMX plants are located in close proximity to the concrete production factories on each island. Ronez has obtained planning permission in Jersey to relocate the RMX production site to the top side of St John's Quarry, thereby reducing traffic movements in the quarry itself. The sale of ready mix concrete represented approximately 35 per cent. of Ronez's revenue for the year ended 31 December 2015.

Asphalt
Ronez produces a wide range of asphalt products, from base courses to specially designed mixes, by combining bitumen with aggregate materials derived from its quarries. The asphalt products are produced in accordance with British and European standards and their primary applications are in the repair and construction of local roads, airport runways and pavements. In addition to the fixed plants in Jersey and Guernsey, there is a plant located in Alderney, which is used for ad hoc campaign work on the island. Ronez has a 12 month supply agreement with Aggregate Industries for the provision of bitumen. The sale of asphalt products represented approximately 9 per cent. of Ronez's revenue for the year ended 31 December 2015.

Concrete products

On each of Jersey and Guernsey, Ronez operates sites which manufacture a range of dense, lightweight and high strength concrete blocks, along with precast kerbs, edgings and paving products. These sites also serve as back-up facilities for RMX production. Each site also has a bagging facility that allows aggregates to be deposited into bags, with weights ranging from 25kg to 1 tonne, which are sold either directly to the local construction industry or to the general trade and retail markets within the Channel Islands. The bagging operations utilise the same facilities and employees as Ronez's concrete products operations.

Each site has large stockyard areas which are stocked based on expected demand and consumption rates in the market for the various products. The sale of precast concrete products represented approximately 15 per cent. of Ronez's revenue for the year ended 31 December 2015.

Cement importation

Ronez is the sole importer of bulk cementitious products to both Jersey and Guernsey. Ronez owns the bulk cementitious importation and storage site at St Sampson's Port and leases the cementitious importation and storage site at St Helier, which are the only terminals available for bulk cementitious product importation and storage in the Channel Islands. The imported material is used primarily by Ronez itself, for both ready mix and concrete products, but also supplies competitors and other customers on the islands. The sale of cementitious products represented approximately 6 per cent. of Ronez's revenue for the year ended 31 December 2015.

Road contracting

Ronez's road contracting department in Guernsey and Pallot Tarmac Ltd, Ronez's wholly owned subsidiary in Jersey, serve the surfacing and contracting needs of the roads and infrastructure in the Channel Islands. In addition, Ronez uses its asphalt plant on Alderney for ad hoc projects on the island. The provision of road contracting services represented approximately 24 per cent. of Ronez's revenue for the year ended 31 December 2015.

Ronez's Quarries

St John's Quarry

St John's Quarry, the location of which can be seen in Figure 1, is a hard rock quarry located on the northern coast of Jersey and it is one of two primary hard rock quarries on the island. Ronez owns the freehold over the quarry site, covering all site infrastructure, processing plants, workshops and offices. St John's Quarry extracts a high-grade diorite which in turn is processed to produce a series of products for use within the construction industry. The products, ranging from fine graded aggregates of different sizes to armour rock for sea defence, are compliant with British and European standards and produced within a 150tph, three stage crush and screen operation, from which there is little to no waste produced.

St John's Quarry currently has approximately 470kt of unconstrained consented reserves, enabling approximately four years of production, with a further 1.43Mt of constrained consented reserves located under the on-site aggregate processing plant.

Ronez has submitted a Planning Permission application to the Jersey Government to extend St John's Quarry to the west and south of the current operation, where the land is partially owned by the Jersey Government, in order to secure circa 1.8Mt of additional aggregate material, which could extend the life of the quarry by up to 15 years.

The Directors have been advised by the management of Ronez that the Planning Permission application should be granted within the next 18 months. If the approval is delayed, Ronez will consider other options to extend the life of the quarry, such as relocating the aggregate processing plant to liberate the constrained consented reserves located beneath the aggregate plant, which could allow an additional circa 12 years of production.

A further 2.4Mt of constrained resources are located beneath the offices and concrete plant for which consent is yet to be obtained, but which could extend the life of the quarry by more than 20 years.

All Jersey downstream businesses operated by Ronez, apart from the cementitious products importation terminal, are located either within St John's Quarry or immediately adjacent to it. The quarry has been identified by the Jersey Government as a potential site for a deep water port, meaning that when locally sourced minerals are depleted, the existing Ronez infrastructure can be used to import the required material without affecting the current port at St Helier.

Estimates of quarry life are based on current and recent production volumes and therefore is subject to change, depending on future local demand. Further information can be found in the Technical Report set out in Part VI of the Admission Document.

Les Vardes Quarry and the Chouet site
Les Vardes Quarry is a hard rock quarry located on the northern coast of Guernsey and its location can be seen in Figure 1. It is currently the only extractive operation in Guernsey and extracts high-grade granite, which is processed to produce a series of products for use within the construction industry. The products, ranging from fine graded aggregates of different sizes to armour rock for sea defence, are compliant with British and European standards and produced within a 180tph, three stage crush and screen operation, from which there is little to no waste produced.

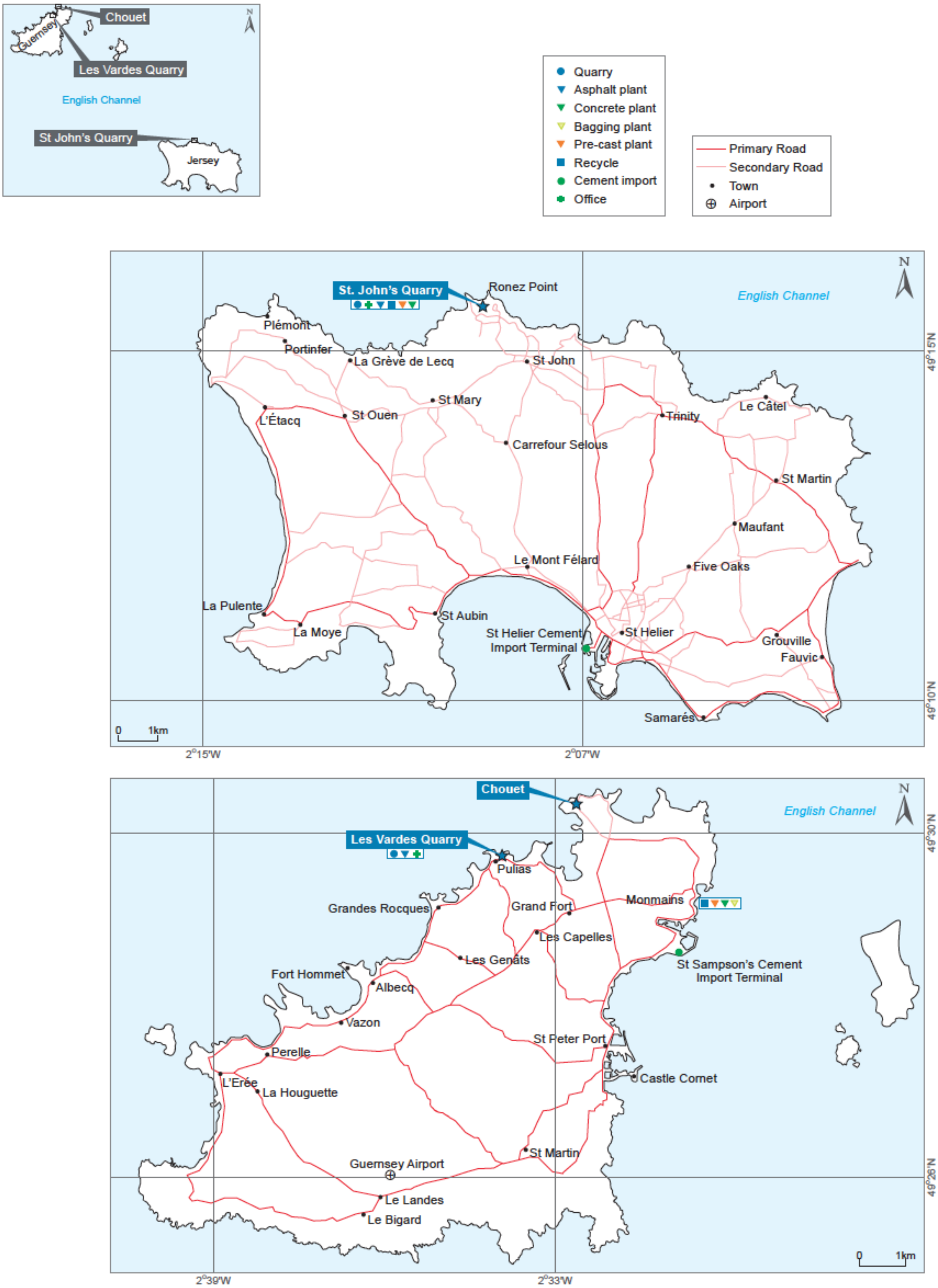
Les Vardes Quarry has an estimated 800kt of unconstrained consented reserves, enabling approximately seven years of production, with a further 660kt of constrained consented reserves which are located under the on-site aggregate processing plant. Development of the constrained consented reserves could be achieved by moving the aggregate processing plant, which could allow an additional circa five years of quarrying at Les Vardes Quarry.

The Chouet area has a history of quarry operations and, subject to the requisite approvals being received, is intended to be the next source of hard rock material on Guernsey. The Chouet site is located near Les Vardes Quarry, on the north east coast of Guernsey and Ronez owns the freehold to approximately one third of the site, with the remainder being owned by the Guernsey Government. Ronez is in discussions with the Government to lease the portion of the Chouet site that it does not already own and intends to apply for the requisite Planning Permission and complete the associated environmental studies to enable it to begin quarrying. The area of Chouet owned by Ronez has an estimated 2Mt of resources and the area owned by the Government is estimated to contain a further 3Mt of resources. Accordingly, should the requisite approvals and permissions be obtained, the Chouet site could increase the operational life of Ronez's Guernsey quarrying operations by up to 40 years.

Should the requisite approvals and Planning Permission be obtained and the Chouet site becomes available to the Enlarged Group for quarrying, the current envisaged plan is that the processing plant which is presently situated at Les Vardes will be moved to the new quarry once opened. This should enable complete extraction of the constrained consented granite resources from Les Vardes Quarry.

Estimates of quarry life are based on current and recent production volumes and therefore is subject to change, depending on future local demand. Further information can be found in the Technical Report set out in Part VI of the Admission Document.

Figure 1: Quarry and site locations in Jersey and Guernsey



Mineral Reserves and Resources

The primary geological host for aggregate deposits are igneous, intrusive rocks, such as granite and diorite (or combinations thereof).

Aggregate deposits are normally significantly less complex than other mineral deposits, primarily informed by regional geology. The requirements from drilling and sampling are generally focussed on establishing overburden thickness (weathering profile) and geotechnical considerations rather than providing additional evidence for geological continuity.

Also, due to the often extensive nature of such igneous intrusions (typically far greater in aerial extent than the permitted area for extraction), mine design is not focussed on maximising the 'orebody' extraction, but rather on maximising the amount of 'ore' (aggregate) that can be extracted from a particular permitted (consented) area. Accordingly, resource and reserve estimation commonly involves a top-down approach, which starts with consideration of the permitted (consented) area and then attempts to model full extraction by maximising the pit depth (using practical mining and geotechnical constraints).

Ronez's mineral resources and reserves, which are set out in Table 1 below, are classified in consideration of the above and in accordance with the PERC Code. The PERC Code is a Mineral Resource/Ore Reserve classification system that has been widely used for aggregate projects and is internationally recognised as part of the CRIRSCO family of codes.

Ronez's reserves are classified as either:

- consented reserves – Planning Permission has been approved for this portion of reserves; or
- unconsented reserves – Planning Permission has yet to be approved for this portion of reserves.

Importantly, it is common practice to report aggregate resources and reserves as their weight in saleable tonnes. This is consistent with the Guidelines of the PERC Code that relate to Industrial Minerals, Cement Feed Materials and Construction Raw Materials.

Table 1: Summary of Ronez's Reserves and Resources

Ronez Asset	PERC Category	Ronez Category	Tonnes (Mt)
Mineral Reserves			
St John's Quarry	Proved Mineral Reserve	unconstrained mineral reserves	0.47
		constrained mineral reserves	1.43
	Sub-total		**1.90**
Les Vardes Quarry	Proved Mineral Reserve	unconstrained mineral reserves	0.80
		constrained mineral reserves	0.66
	Sub-total		**1.46**
Total Proved Mineral Reserves			**3.36**
Mineral Resources			
St John's Quarry	Measured Mineral Resource	Measured mineral resource	1.81
	Indicated Mineral Resource	Indicated mineral resource	2.41
	Sub-total		**4.22**
Le Chouet	Indicated Mineral Resource	Indicated mineral resource	2.00
	Sub-total		**2.00**
Total Mineral Resource			**6.22**

Further information can be found in the Technical Report set out in Part VI of the Admission Document.

Building materials market in the Channel Islands

The Channel Islands are an archipelago in the English Channel off the northern coast of France, divided into two Crown Dependencies, the Bailiwick of Guernsey, which includes the islands of Alderney, Sark and Herm, and the Bailiwick of Jersey. Jersey and Guernsey have populations of approximately 103,000 and 65,000 people respectively and, in 2015, nominal GDP was approximately £4.0 billion and £2.4 billion respectively. In Jersey, GVA and GDP grew 2 per cent. in real terms in 2015, a second consecutive year of economic growth. Whereas in Guernsey, it is estimated that economic growth in 2015 was 0.4 per cent.

The construction industry represents approximately 6 per cent. of the Channel Islands' GDP/GVA and is expected to remain at these levels as a proportion of GDP/GVA in the medium term. The construction industry is cyclical and is often counter cyclical between Jersey and Guernsey.

The building materials market in the Channel Islands has been historically relatively stable; it was negatively impacted by the global financial crisis in 2008, however, the impact was not as severe as for the rest of the UK.

Construction in the Channel Islands is underpinned by public infrastructure projects such as roads and sea defences as well as private commercial developments and housing. Growth is expected from large new infrastructure projects, such as schools, hospitals, airports and sewage treatment works.

The Government of Jersey has committed to spending £168 million on capital projects between 2016 and 2019, including:

- £43 million for infrastructure projects (mainly new sewage works);
- £55 million for renovation, development and the rebuilding of certain schools; and
- £18.5 million for projects to promote productivity, skills, jobs and economic growth.

The Guernsey Infrastructure Plan estimates that significant investment is required by the Government over the next 20 years, to maintain and/or replace Guernsey's essential infrastructure, including:

- £60 million for a primary school, high school and sports facilities at Le Mare De Carteret;
- a new waste management/recycling facility at Longue Hougue;
- the possible extension of Guernsey airport's runway; and
- ongoing improvements to coastal defences.

Population density in the Channel Islands is relatively high, with an estimated 844.6 persons per km2, which is expected to support demand for housing development due to an increasing propensity for single-owner occupation. Since 2010, the housing price index in Jersey has risen approximately ten per cent. and circa £250 million has been committed by the Government to fund new housing projects (including the refurbishment of existing social housing stock) to improve affordability.

Ronez generally occupies a leading position within the construction markets of the Channel Islands, a position attributed to the location of its operations, the significant size of its operations, and its dominant capabilities within the markets across Jersey and Guernsey for aggregates, cement, concrete and asphalt products. Ronez's estimated market share for each of the products and services offered by the group in Jersey and Guernsey is set out in Table 2 below. Ronez provides the widest offering of construction products on Jersey and Guernsey with a fully integrated vertical supply chain and availability of complementary assets, including imports from the UK and mainland Europe.

Table 2: Ronez's/Aggregate Industries' managements' estimated market share in each of Jersey and Guernsey by product/service

Product/service	**Jersey market share (%)**	**Guernsey market share (%)**
Cement trading	100%	100%
Ready-mix concrete	40-50%	100%
Asphalt	100%	100%
Crushed rock aggregates	30-40%	80-90%
Concrete products	50-60%	80-90%
Asphalt contracting/laying	50-60%	50-60%

Summary of Ronez's competition
With regards to extractive raw material supply in the Channel Islands, Ronez owns and operates the only quarry on Guernsey and imports non-indigenous extractive material such as fine sands. On Jersey, competing quarry operations are operated by Granite Products (CI) Limited, which supplies aggregates, ready-mixed concrete and concrete blocks to the Jersey market. There is also a fine sand quarry on Jersey which is operated by Simon Sand & Gravel Limited.

Summary financial information and current trading of Ronez
Audited financial results of Ronez are presented in section C of Part IV of the Admission Document for the three years to 31 December 2015 and the six month period to 30 June 2016.

From 1 July 2016 to the date of the Admission Document, the Ronez Group has continued to trade in line with Directors' expectations, with the financial performance exceeding that in the first half of 2016. The Ronez Group has retained active commercial relationships with its key customers and, based on current trading, the Directors are confident about the future prospects of the Group.

The following financial information has been extracted from the audited company accounts of Ronez presented in section C of Part IV of the Admission Document and has been included to provide an overview of the recent trading history of Ronez:

	Period to June 2016 £'000	*Year Ended 31 December 2015 £'000*	*Year Ended 31 December 2014 £'000*	*Year Ended 31 December 2013 £'000*
Revenue	11,757	26,302	24,411	27,201
Profit from operations	1,860	4,317	3,529	3,804
Profit after tax	1,009	2,574	1,985	2,193

The trading information above should be read in conjunction with the full text of the Admission Document, including the historical financial information of Ronez contained in section C of Part IV of the Admission Document.

Principal terms and conditions of the Acquisition
The Company has conditionally agreed to acquire the entire issued share capital of Ronez for a cash payment of £45.0 million to Aggregate Industries (subject to adjustment for leakage and on a cash-free, debt-free basis as at 30 November 2016). Warranties and indemnities under the Acquisition

Agreement are subject to stringent limitations. A warranty and indemnity insurance policy has been obtained by the Company from Allied World Assurance Company (Europe) DAC in order to minimise the risks associated with the aforementioned limitations, primarily in respect of Aggregate Industries' aggregate liability for warranties and indemnities being capped at £4,500,000 (where such cap applies, being on the significant majority of warranties and indemnities).

The Acquisition Agreement is conditional upon: (i) the passing of the Resolutions, (ii) the successful conclusion of the Placing, and (iii) Admission.

Further details of the Acquisition Agreement are contained in Part II (Summary of the Acquisition Agreement) of the Admission Document. In connection with the Acquisition, the Company will at Completion enter into the Transitional Services Agreement and the Bitumen Supply Agreement. Under the Transitional Services Agreement, Aggregate UK shall provide Ronez with IT, accounting and financial administration services pursuant to the Acquisition. Further details of the Transitional Services Agreement are contained in paragraph 13.2 of Part VII (Additional Information) of the Admission Document.

Under the Bitumen Supply Agreement, Aggregate UK shall supply bitumen to the Company from 5 January 2017.

Future Strategy
The Enlarged Group's business plan, being the execution of a buy and build strategy in the construction materials sector, leading to the Company building a diversified stream of income, sourcing stability and growth from niche markets and sectors. The Company's focus will be on cash generative assets, located in niche markets that produce aggregates, concrete, precast concrete and other related materials.

The Directors believe that, along with the support of senior management including the retention of key staff at Ronez, they have the necessary skills and experience to deliver on this strategy.

Investment strategy and future acquisitions
The Directors are reviewing and have reviewed a number of potential acquisition targets since the Restructuring and have a pipeline of potential opportunities which would fit well with the Company's strategy.

Following the Acquisition, the Company will seek to implement certain operational efficiencies to the Ronez business. It will also continue actively to pursue further opportunities to acquire niche construction materials businesses, focussing on those with a strong market position in supplier controlled markets and companies with high quality assets and strong financial track records of generating profits and cash flow generation.

As part of its strategy, SigmaRoc will continue to seek to identify opportunities emanating from the divestment programmes underway at major global cement and heavy building materials companies.
The Board believes that there is significant scope to use its extensive knowledge of, and access to, downstream businesses to replicate the model employed in the Acquisition in other niche markets across Europe, where there is a desire of the major construction material companies to dispose of non-core, but profitable and cash generative operations, in-line with the prevailing global industry strategy.

The Company is also in discussions with major construction material companies with regards to potential partnerships and/or special projects in respect of possible import/export operations, and potentially other solutions, to provide assurance of supply in markets where there is a lack of local availability of construction materials.

In order to fund potential acquisitions, following Admission, the Enlarged Group intends to explore the possibility of debt funding. The Company is in advanced discussions with a major European bank regarding future debt financing, which is expected to comprise a £3 million revolving credit facility and a £15 million term loan. Depending on the size of an acquisition opportunity and the Company's prevailing cash position, the Board may also seek to raise additional equity at the appropriate time.

Domicile and dual listing
The Directors are currently reviewing the Company's domicile, and are considering the potential benefits of moving the domicile of the Company from the UK to Guernsey. Should it be decided to seek a change of domicile the Directors will seek to maintain and replicate the same shareholder protections offered pursuant to the Articles and the laws of England and Wales. The City Code will still apply to the Company should it be redomiciled in Guernsey. Any such decisions will be made in the best interests of the Shareholders as a whole. It is expected that a re-domiciliation of the Company would be completed via a scheme of arrangement and subject to shareholder approval.

Following Admission, the Directors currently intend to seek to apply for a dual listing of the Company's shares on the Channel Islands Securities Exchange ("**CISE**"), subject to the receipt of the relevant consents. The CISE offers a regulated marketplace, with globally recognisable clients and a growing product range, from within the European time zone but outside the EU. It is headquartered in Guernsey and has an office in Jersey. The CISE was established in 1998 and, as at November 2016, had more than 2,000 listed securities on its Official List with a total market capitalisation of more than £300 billion. As at the date of the Admission Document, the Directors consider that listing on the CISE would be beneficial in gaining investor support for the Company given that its primary asset is located within the Channel Islands.

Details of the Placing
Pursuant to the Placing, Zeus Capital have conditionally raised £50 million (before expenses) for the Company, through the placing of the Placing Shares with investors at the Placing Price and the issue of the Convertible Loan Notes conditional, inter alia, upon Completion, the Resolutions being approved by Shareholders at the General Meeting and on Admission.

Following Admission, the Placing Shares will collectively represent approximately 97.46 per cent. of the Enlarged Share Capital. The Placing, which is not underwritten, is conditional upon, inter alia, Shareholders passing the Resolutions at the General Meeting and Admission becoming effective by not later than 8.00 a.m. on 5 January 2017 (or such date as the Company, Strand Hanson and Zeus Capital may agree being not later than 12 January 2017). The Placing Shares will be issued as fully paid and will, upon issue, rank *pari passu* with the Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

Following Admission and the Share Consolidation, the Directors will, between them, hold 880,064 New Ordinary Shares, representing approximately 0.86 per cent. of the Enlarged Share Capital, as referred to in paragraph 8 of Part VII of the Admission Document. Following Admission, certain other significant shareholders, as referred to in paragraph 8.2 of Part VII of the Admission Document, will each hold three per cent. or more of the Enlarged Share Capital. There will be a total of 102,601,498 New Ordinary Shares (including the Placing Shares), 761,679,142 Deferred Shares, 10,000,000 Convertible Loan Notes, 1,104,058 Warrants and 12,573,444 Options in issue on Admission. The existing aggregate shareholdings of Shareholders prior to the Placing and Admission will be diluted to

2.54 per cent. of the Enlarged Share Capital and 1.92 per cent. on a fully diluted basis (assuming all Convertible Loan Notes, Warrants and Options are exercised in full).

Further details of the Placing Agreement are set out in paragraph 13.3 of Part VII of the Admission Document. Further details of the Convertible Loan Notes are set out in paragraph 13 of the Admission Document.

Details of the Convertible Loan Notes

Pursuant to the Instrument to be entered into by the Company on or around Completion, the Company will create £10,000,000 Convertible Loan Notes. Pursuant to the Placing and conditional upon, inter alia, Admission, the Company has agreed to issue 10,000,000 Convertible Loan Notes at a price of £1 per note.

Pursuant to the terms of the Instrument, interest accrues on the Convertible Loan Notes at 6 per cent. per annum payable bi-annually. The first interest payment date will be 30 June 2017. The Convertible Loan Notes created by the Instrument are capable of conversion to Ordinary Shares in the Company by the service of a conversion notice at any time prior to the fifth anniversary of the issue of the Convertible Loan Notes (such anniversary being the "**Redemption Date**"). The conversion price of the Convertible Loan Notes prescribed by the Instrument is fixed at £0.52 per Ordinary Share. Any accrued interest up to the date of conversion, together with the cash amount capitalised on those Convertible Loan Notes to be converted, will be paid on the date of conversion. If all the noteholders exercised this right immediately following the issue, they would receive, a pro-rata share of 19,230,769 New Ordinary Shares, representing approximately 15.8 per cent. of the Company's issued share capital as enlarged by the conversion (assuming no additional Ordinary Shares are issued following Admission). Further details of the Convertible Loan Notes are set out in paragraph 13.5 of Part VII of the Admission Document.

Additionally, the Company may serve a redemption notice on any holder of Convertible Loan Notes following the first anniversary of issue. The Company will pay a 30 per cent. premium on any Convertible Loan Notes redeemed prior to the Redemption Date.

On the Redemption Date, the Convertible Loan Notes then in issue (so far as not converted) shall be redeemed at par at the principal amount together with interest.

Under the Instrument the Company has agreed to use reasonable endeavours to have the Convertible Loan Notes listed on the Channel Island Securities Exchange or such other recognised exchange approved by the Company and the Noteholders.

Reasons for the Placing and use of proceeds

The net proceeds of the Placing are estimated at approximately £46.55 million, which the Board expects to use to satisfy:

- the total cash consideration due on Completion of the Acquisition, being £45.0 million; and
- the Enlarged Group's general working capital requirements.

Share Consolidation

Admission is conditional upon the approval and completion of the Proposals, including the Share Consolidation.

The Existing Ordinary Share Capital comprises 270,555,743 Existing Ordinary Shares. The Share Consolidation which is expected to take place after close of business on the Record Date will involve every 104 Existing Ordinary Shares being consolidated and subdivided into one New Ordinary Share and 94 Deferred Shares. Accordingly, the Board will issue one New Ordinary Share and 94 Deferred Shares in exchange for every 104 Existing Ordinary Shares held, as set out in Resolution 2 to be proposed at the General Meeting. The rights attached to the New Ordinary Shares will be the same as the rights attaching to the Existing Ordinary Shares and the New Ordinary Shares will trade on AIM in place of the Existing Ordinary Shares.

Following the Share Consolidation, Shareholders will own the same proportion of Ordinary Shares in the Company as they did previously (subject to fractional entitlements) but will hold fewer New Ordinary Shares than the number of Existing Ordinary Shares currently held. The Share Consolidation will result in an issued ordinary share capital of 2,601,498 New Ordinary Shares prior to the Placing.

The new Deferred Shares created as a result of the Share Consolidation will have the same rights and restrictions as the existing Deferred Shares in the Company. Such Deferred Shares are effectively valueless as they do not carry any rights to vote or dividend rights. In addition, holders of such Deferred Shares are only entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of the New Ordinary Shares have received a payment of £10,000,000 on each such share. The new Deferred Shares created as a result of the Share Consolidation will not be listed or traded on AIM and will not be transferable without the prior written consent of the Board. No share certificates will be issued in respect of such new Deferred Shares, nor will CREST accounts of shareholders be credited in respect of any entitlement to new Deferred Shares. It is intended that, in due course, all the Deferred Shares will be repurchased by the Company for an aggregate sum of one penny and cancelled. The existing Deferred Shares will not be affected by the Share Consolidation.

In order to ensure that a whole number of New Ordinary Shares is created, it is proposed that the Company may issue new Existing Ordinary Shares to the Registrar. The number of Existing Ordinary Shares to be issued will be 49 which will result in the total number of Existing Ordinary Shares being exactly divisible in accordance with the consolidation ratio.

No Shareholder will be entitled to a fraction of a New Ordinary Share and where, as a result of the Share Consolidation, any Shareholder would otherwise be entitled to a fraction only of a New Ordinary Share in respect of their holding of Existing Ordinary Shares on the date of the General Meeting (a "**Fractional Shareholder**"), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders of the Company would be entitled so as to form full New Ordinary Shares ("**Fractional Entitlement Shares**"). These Fractional Entitlement Shares will be aggregated and sold in the market and the net proceeds of the sale shall be retained by the Company.

The provisions set out above mean that any such Fractional Shareholders will not have a resultant proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares, and as noted above, Shareholders with only a fractional entitlement to a New Ordinary Share (i.e. those Shareholders holding a total of fewer than 104 Existing Ordinary Shares at the Record Date) will cease to be a Shareholder of the Company.

The Company will issue new share certificates to those Shareholders holding shares in certificated form to take account of the Share Consolidation. Following the issue of new share certificates, share certificates in respect of Existing Ordinary Shares will no longer be valid. Shareholders will still be able to trade in Ordinary Shares during the period between Admission and the date on which Shareholders receive new share certificates.

Lock-ins and orderly market arrangements

Each of the Locked In Shareholders, included in which are all of the Directors who will be shareholders on Admission, has undertaken to the Company, Strand Hanson and Zeus Capital that they will not dispose of any interest in the Ordinary Shares held by them for a period of 12 months from the date of Admission and, for the 12 months following that period, that they will only dispose of their holdings with the consent of Zeus Capital and then through Zeus Capital from time to time so as to maintain an orderly market in the Ordinary Shares.

In total, 27,130,064 New Ordinary Shares representing 26.44 per cent. of the Enlarged Share Capital at Admission are subject to the prohibitions on disposals described in paragraph 16 of the Admission Document.

Further details of the lock-in and orderly market arrangements are set out in paragraph 13.4 of Part VII of the Admission Document.

Relationship Agreement

The Company, Strand Hanson, Ravenscroft, Pula, TEMK and Bailiwick have entered into the Relationship Agreement to govern the relationship between the Enlarged Group, the Presumed Concert Party and Ravenscroft in respect of its discretionary clients, such agreement to become effective upon Admission.

Under the Relationship Agreement each member of the Presumed Concert Party and Ravenscroft agree, amongst other things, for so long as the Presumed Concert Party and Ravenscroft together with it their respective associates hold at least 15 per cent. of the issued share capital of the Company:

(i) that it will not take any action that would preclude the Enlarged Group from carrying on business independently from the Presumed Concert Party, Ravenscroft and any of their respective associates; and
(ii) that any transactions or agreements between the Presumed Concert Party, Ravenscroft and any of their respective associates on the one hand and any member of the Enlarged Group on the other hand, and any amendments to any existing agreements between them, will be approved by a majority of the independent Directors.

Gary Drinkwater has been appointed to the Board as a nominee Director pursuant to the Relationship Agreement.

Information on the Existing Directors, Proposed Directors and Senior Management

Existing Directors

David Kenneth Barrett, aged 59 *(Executive Chairman)*

David Barrett co-founded London Concrete Limited ("**London Concrete**") in 1997, subsequently building the business from one concrete plant in London to over a dozen plants around the capital. London Concrete was ultimately sold to Aggregate UK and is currently the number one concrete supplier in London, with flagship projects including the London Olympic Park, the Shard, the new US Embassy and the new Bloomberg building. Prior to co-founding London Concrete, David held a number of positions in concrete and aggregates production. David retired from London Concrete at the end of 2014 and is widely considered an expert in the industry.

Maximilian (<u>Max</u>) Alphons Vermorken, **aged 33** *(Chief Executive Officer)*

Max Vermorken was most recently a strategic advisor to LafargeHolcim. His last role included responsibility for the hive-down and integration of two large asset portfolios – a mix which included two cement plants and ACM assets – in the context of the global merger of Lafarge SA and Holcim Ltd.

Prior to working for LafargeHolcim, Max worked in private equity at Luxembourg-headquartered The Genii Group, where he reported directly to its founding principals. Max holds a PhD in Financial Economics from University College London and Bachelor and Master degrees in both Civil Engineering and Financial Economics and Management, from University College London and the University of Brussels respectively.

Dominic Traynor, aged 40 *(Non-Executive Director)*
Dominic Traynor is a corporate lawyer specialising in listings and reverse takeovers, M&A and corporate finance. Dominic has acted on more than 20 AIM-admissions as well as a number of reverse takeovers, other acquisitions, joint ventures and secondary fundraisings, with a particular focus on the mining and oil and gas sectors. Dominic graduated from Durham University in 1997 with a degree in Law and, after completing the LPC at the College of Law in York, joined Ronaldsons LLP in 1998, where he is currently a Partner.

Proposed Directors

Garth Mervyn Palmer, aged 36 *(Part-time Finance Director)*
Garth Palmer is a partner at Heytesbury Corporate LLP, a partnership engaged in the provision of corporate financial and company secretarial services.

He holds a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in England and Wales. Garth began his career at Horwath Chartered Accountants, now part of BDO, in Perth in the audit and corporate services division before moving to KPMG's audit and risk advisory team. In 2005, Garth moved to London where he provided compliance services, with a focus on U.S. Sarbanes-Oxley legislation, for numerous large companies across a range of industries. This led Garth to a Finance Manager role at Apple where he spent four years working on business process improvement, developing and implementing new and improved financial processes and systems. More recently, Garth has been working with AIM quoted companies, predominantly within the mining and resources industries, providing corporate and financial consulting services.

Patrick Dolberg, aged 60 *(Non-Executive Director)*
From 2008 to 2013, Patrick was an Executive Committee Member of Holcim Ltd, reporting directly to the CEO, where he was responsible for Western and Central Europe. He joined the Holcim group in 1991, having held executive positions at Exxon Chemical International and Monsanto. From 1992 to 1996, Patrick was General Manager of Scrobiel, a member of the Holcim group. In 1998, he was appointed chief executive officer of St. Lawrence Cement, another Holcim group company, before joining Holcim US as chief executive officer in 2003.

Patrick has an MBA from Solvay Business School, graduating with distinction.

Gary Roger Drinkwater, aged 62 *(Non-Executive Director)*
Gary Drinkwater joined Ravenscroft in December 2015 as a Corporate Adviser and serves on the boards of several companies which are partly owned by Bailiwick, including Jacksons (C.I.) Limited and SandpiperCI Limited. Prior to joining Ravenscroft, Gary spent over 30 years in banking roles with HSBC, culminating in his appointment as Deputy Head of Corporate Banking, Channel Islands and Isle of Man from 2012 to 2015.

Gary was the President of the Jersey Bankers Association between 2003 and 2005 and was previously the President of the Jersey Branch of the Institute of Directors. He also sits on the board of Help a Jersey Child and is an elected member of the Public Accounts Committee in Jersey.

Gary has been appointed to the Board as a nominee Director, pursuant to the terms of the Relationship Agreement.

Proposed senior management/technical team

Charles Edmund Trigg *(Managing Director, Special Projects)*
Charles Trigg is the former Group Head of Capex at LafargeHolcim Northern Europe responsible for all operational capex in the regions and was part of the Operational Excellence Team. Charles headed up the operations and supply chain team for the LafargeHolcim merger for the Northern European region.

Charles has previously worked around the world, including in New Zealand on the strategic planning of the reconstruction of Christchurch after the earthquake, as well as on projects for the construction of roads of national significance. In Qatar he worked for the State charged with the country's strategic construction materials supply, where he led the development and construction of various operational sites to ensure continuity of national supply.

A trained quarry manager, Charles holds a Bachelor degree from University of Birmingham in minerals processing and chemical engineering.

Michael (Mike) Jeremy Osborne *(Managing Director, Ronez)*
Mike Osborne has been Managing Director of Ronez since 2006, where he has been responsible for Ronez's strategic direction and operational management. Prior to this, he spent four years as director of Aggregate Industries' overseas operations, reporting directly to the Aggregate Industries' chief executive officer. Between 1998 and 2001, Mike held a number of roles for Tarmac Group Limited primarily in Central Europe.

Mike has a BSc (Eng) in Mining Engineering from the University of London and he is a Fellow of the Institute of Quarrying.

Stephen (Steve) Paul Roussel *(General Manager, Ronez, Guernsey)*
Steve Roussel has been the General Manager of Ronez's Guernsey operations since 2013, having joined Ronez in 2002 as Operations Manager. Before assuming his current role, he was the General Manager for Engineering and Technical operations for Ronez as a whole. Steve spent his early career in open cast mining roles, including project management and contract management positions.

Steve has an MEng in Mining Engineering from the University of London and an MBA from the University of Southampton. He is also a Member of the Institute of Quarrying.

Timothy (Tim) Michael Le Cras *(Financial Controller, Ronez)*
Tim Le Cras has been the Financial Controller of Ronez since 2011. Tim joined Ronez in 1990 and he has held a number of financial and technical positions, including Finance and IT Manager for Ronez's operations in Guernsey from 1999 to 2004 and Finance Manager of Ronez from 2004 to 2011.

Tim has a BSc in Quantity Surveying from Portsmouth Polytechnic.

New Articles
Conditional on the passing of resolution 4 set out in the Notice convening the General Meeting, the Company will adopt the New Articles. Further details of the New Articles are set out in paragraph 7 of Part VII of the Admission Document.

General Meeting

The Notice convening the General Meeting is set out at the end of the Admission Document. The General Meeting has been convened for 12.00 p.m. on 3 January 2017 at the offices of Artemis Trustees Limited, Trafalgar Court, 2nd Floor, East Wing, Admiral Park, St Peter Port, Guernsey GY1 3EL where the following Resolutions will be proposed to approve:

Resolution 1: an ordinary resolution to approve the Acquisition;

Resolution 2: an ordinary resolution to approve the Share Consolidation;

Resolution 3: an ordinary resolution to authorise the Directors to: (i) allot the Placing Shares; (ii) grant the Warrants; (iii) grant Options to non-executive directors and consultants of the Enlarged Group; (iv) issue the Convertible Loan Notes; and (v) in addition to (i) to (iv) aforementioned, allot New Ordinary Shares up to an aggregate nominal amount of £342,004.99 (being approximately 33 per cent. of the Enlarged Share Capital);

Resolution 4: a special resolution (subject to, and conditional upon, the passing of Resolution 2) to adopt the New Articles;

Resolution 5: a special resolution (subject to, and conditional upon, the passing of Resolution 3) to dis-apply statutory pre-emption provisions to enable the Directors in certain circumstances to (i) allot the Placing Shares; (ii) grant the Warrants; (iii) grant Options to non-executive directors and consultants of the Enlarged Group; (iv) issue the Convertible Loan Notes; and (v) in addition to (i) to (iv) aforementioned, allot New Ordinary Shares up to an aggregate nominal amount of £342,004.99 (being approximately 33 per cent. of the Enlarged Share Capital).

Applicability of the City Code and the Presumed Concert Party

The City Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules set out in the City Code which are derived from the Directive, now have a statutory basis.

The Company is a public limited company incorporated in England & Wales and the Enlarged Share Capital will be admitted to trading on AIM. Accordingly, the City Code will apply to the Company.

Under Rule 9 of the City Code, where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company which is subject to the City Code, that person is normally required by the Panel to make a general offer to all the remaining shareholders of that company to acquire their shares. Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company and not more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required in accordance with Rule 9.

An offer under Rule 9 must be made in cash (or be accompanied by a cash alternative) and at not less than the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the City Code a concert party arises when persons acting together pursuant to an agreement or understanding (whether formal or informal) cooperate to obtain or consolidate control of, or frustrate the successful outcome of an offer for, a company subject to the City Code. Control means an interest or interests in shares carrying an aggregate of 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

Following completion of the Placing, the Presumed Concert Party will hold, in aggregate, approximately 29.2 per cent. of the Company's enlarged share capital and, in aggregate, 7,986,000 Convertible Loan Notes (the **Presumed Concert Party Notes**").

If the Presumed Concert Party Notes are converted, leading to the issue of additional New Ordinary Shares, it is possible that such issuance would result in the Presumed Concert Party's aggregate shareholding (together with shares in which any other person(s) deemed by the Takeover Panel to be acting in concert (as defined in the City Code) with it are interested) being equal to or greater than 30.0 per cent. of the Company's then enlarged issued share capital. Pursuant to Rule 9 of the City Code, the Presumed Concert Party would then be obliged to make a mandatory offer in cash (or accompanied by a cash alternative) for the entire issued ordinary share capital not held by it (or any person(s) deemed by the Takeover Panel to be acting in concert with it) at the highest price paid by the Presumed Concert Party (or any person(s) deemed by the Takeover Panel to be acting in concert with it) for any interest in ordinary shares acquired in the previous 12 months.

The holders of the Presumed Concert Party Notes have committed not to exercise the Presumed Concert Party Notes to the extent that it would result in the Presumed Concert Party's aggregate interest in SigmaRoc increasing to 30.0 per cent. or more of SigmaRoc's issued ordinary share capital. If all of the Presumed Concert Party Notes were to be converted, SigmaRoc would issue the respective members of the Presumed Concert Party with, in aggregate, 15,357,692 New Ordinary Shares. Accordingly, for illustrative purposes only, based on the above, *ceteris paribus*, the Presumed Concert Party would then hold, in aggregate, 45,357,692 Ordinary Shares, representing approximately 38.45 per cent. of the issued share capital as enlarged by the issue of New Ordinary Shares pursuant to the exercise of the Presumed Concert Party Notes and the Presumed Concert Party would then be obliged to make a mandatory offer in cash as described above. This assumes no additional Ordinary Shares are issued following Admission (including pursuant to the exercise of Warrants or Options).

Admission, Settlement and Dealings

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM and, if all of the Resolutions are passed at the General Meeting, it is expected that Admission will become effective and dealings in the Placing Shares and New Ordinary Shares will commence at 8.00 a.m. on 5 January 2017. Accordingly, trading in the Ordinary Shares will remain suspended until such time.

If the Resolutions are not passed at the General Meeting, the Acquisition will not proceed and the Directors will consider alternative options for the Company.