

This document is important and requires your immediate attention.

If you are in any doubt about the Offer or the contents of this document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

This letter (**Letter**) should be read with the offer document to shareholders of Blancco Technology Group plc (**Blancco**) dated 8 August 2023, (**Offer Document**) which can be viewed on Blancco's website at <https://www.blancco.com/investors/investor-center/information-for-blancco-shareholders/>. Words and expressions defined in the Offer Document have the same meaning in this Letter unless the context requires otherwise. Key terms used in this Letter and the accompanying documents are explained in Appendix 2 of this Letter.

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United Kingdom
CM22 7WE**

**White Bidco Limited
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SW1V 1AN**

To: Consultant Award holders under the Blancco Performance Share Plan, adopted by the Blancco Board on 14 March 2018 and amended on 23 September 2021, and your personal services company (together, referred to as **you**) (**LTIP**).

RECOMMENDED CASH OFFER FOR BLANCCO TECHNOLOGY GROUP PLC BY WHITE BIDCO LIMITED (BIDCO), AN ENTITY INDIRECTLY OWNED BY THE FRANCISCO PARTNERS FUNDS (FRANCISCO PARTNERS)

Introduction

As you know, Blancco and Bidco announced on 2 August 2023 that they had reached agreement on the terms of a recommended cash offer under which Bidco will acquire the entire issued and to be issued share capital of Blancco (**Offer**). Under the terms of the Offer, Blancco Shareholders will receive 223 pence in cash for each Blancco Share they hold. This Letter sets out the choices you have regarding your LTIP Award if the Offer proceeds to Completion.

We are writing to you to explain how, if the Offer proceeds to Completion, it will affect your LTIP Award and the decisions you need to make. Please read everything in this Letter and the Appendices carefully; the contents are very important.

ACTION REQUIRED: You will need to take action to accept the Offer.

PLEASE NOTE THAT IF YOU DO NOTHING BY THE UNCONDITIONAL DATE, YOU WILL NOT BE ABLE TO ACCEPT THE OFFER FROM BIDCO AND IT WILL CEASE TO BE EXERCISABLE ONE MONTH AFTER THE UNCONDITIONAL DATE.

Further details about your choices are explained in question 8 in Appendix 1 below.

Summary of the impact of the Offer on LTIP Award

Any LTIP Award you hold will vest on Completion of the Offer, subject to an assessment of the performance conditions and applying time pro-rating. To the extent that your LTIP Award does not vest in full on Completion, you will receive an LTIP Retention Award equivalent to the unvested portion of your LTIP Award.

To the extent that any LTIP Award vests and is also exercised on Completion and you have accepted the Offer, you will become beneficially entitled to Blancco Shares and, along with all other shareholders, your Blancco Shares will be sold to Bidco (as described above) for the Offer Price.

Q&As

Appendix 1 to this Letter contains a series of Q&As which explain in detail the impact of the Offer on your LTIP Award, including the extent to which you can acquire Blancco Shares, and sell such Blancco Shares to Bidco and receive an LTIP Retention Award from Bidco.

Appendix 2 to this Letter sets out a list of the defined terms used in this Letter.

Blancco Directors' statement

The Blancco Directors, who have been so advised by Rothschild & Co, consider the Proposals described in this Letter and the appendices to be fair and reasonable. In providing advice as to the financial terms of the Proposals to the Blancco Directors, Rothschild & Co have considered the commercial assessments of the Blancco Directors. Rothschild & Co are providing independent financial advice to the Blancco Directors for the purposes of Rule 15 of the Takeover Code.

Yours faithfully

Matthew Jones

For and on behalf of
Blancco Technology Group plc

Ravi Bhatt

For and on behalf of
White Bidco Limited

APPENDIX 1
QUESTIONS AND ANSWERS

INTRODUCTION

1. Why am I being contacted now?

You are being contacted now because the Offer will impact your LTIP Award. Bidco would like to make Proposals to you in respect of the Blancco Shares under your LTIP Award.

2. Who is Bidco?

Bidco is a newly incorporated company indirectly owned by Francisco Partners Funds. Francisco Partners is a leading global investment firm that specialises in partnering with technology companies.

THE OFFER

3. How does the Offer work?

The purpose of the Offer is to enable Bidco to become the owner of the entire issued and to be issued share capital of Blancco (or such lesser percentage as Bidco may be permitted to acquire within the terms of the Offer and the Takeover Code).

The Offer is conditional upon (among other things) Bidco receiving valid acceptances (which have not been withdrawn) from Blancco Shareholders who hold in total Blancco Shares carrying more than 90 per cent of the voting rights normally exercisable at a general meeting (or such lesser percentage as Bidco may decide), provided that Bidco must acquire or agree to acquire more than 50 per cent of Blancco Shares (**Acceptance Condition**). This includes Blancco Shares already acquired, or agreed to be acquired, by Bidco before or during the Offer period. Bidco will acquire control of Blancco on the date the Offer becomes or is declared unconditional in all respects, (**Unconditional Date**). The Unconditional Date is expected to be on or before 7 October 2023.

If the Offer is declared or becomes unconditional in all respects and Bidco holds 90 per cent or more of the Blancco Shares to which the Offer relates, Bidco may become entitled or bound to acquire, on the same terms as the Offer, the remaining Blancco Shares which it does not hold (**Squeeze-out**). This means that if you acquire Blancco Shares following the vesting and exercise of your LTIP Award, and do not accept the Offer, Bidco may become entitled to acquire your Blancco Shares on the same terms as the Offer and you will not be entitled to receive the LTIP Retention Award.

The Offer is described in more detail in the Offer Document which you can view on Blancco's website (<https://www.blancco.com/investors/investor-center/information-for-blancco-shareholders/>). If you have not received or cannot view the Offer Document, please contact Sarah Smith at Blancco either by email on sarah.smith@blancco.com or by telephone on 07554416000. You should read this Letter in conjunction with the Offer Document.

4. What are the terms of the Offer for Blancco Shareholders?

Under the terms of the Offer, Blancco Shareholders will be entitled to receive **223 pence in cash for each Blancco Share (Offer Price)**.

Please refer to page 12 of the Offer Document which contains a letter from Bidco for further information.

5. When does the Offer end?

The Offer will be completed if the Acceptance Condition has been met, and the Offer is declared or becomes unconditional in all respects, by the Unconditional Date (**Completion**). On Completion, any Blancco Shares which have been accepted under the Offer will be acquired by Bidco. If the Acceptance Condition is not met by the Closing Date, then Completion will not occur. For further details, see page 28 of the Offer Document which lists the conditions to the Offer.

6. What happens if the Offer does not complete?

If the Acceptance Condition has not been met by the Closing Date (or such later date during which the Offer remains open for acceptance), Completion will not occur and the Proposals (as described in questions 8 - 10 below) in relation to your LTIP Award will not apply. Your LTIP Award will continue unaffected.

YOUR LTIP AWARD

7. Background to your LTIP Award

As a reminder, under the LTIP Award, you have been granted the opportunity to acquire Blancco Shares in accordance with the rules of the LTIP. Ordinarily, you hold your LTIP Award for three years (**Performance Period**), after which it will vest in accordance with its terms, and you would acquire some or all the Blancco Shares under that LTIP Award. The Offer is another opportunity for you to acquire Blancco Shares under your LTIP Award (to the extent vested) on Completion.

You hold Nil-Cost Options which must be exercised by submitting an exercise form (included in the Form of Instruction and Acceptance) to acquire the vested Blancco Shares. To exercise your LTIP Award, you must submit a signed Form of Instruction and Acceptance to Blancco, and pay the aggregate nominal value for your Blancco Shares that you will acquire on the exercise of your LTIP Award, being £0.02 per Blancco Share ("**Nominal Value Payment**"). For further details on the Form of Instruction and Acceptance, please see question 11 below.

THE PROPOSALS

As part of the Offer, Bidco has agreed to make certain Proposals to holders of LTIP Award and these Proposals are described below in questions 8 - 10.

8. What is the effect of Completion on my LTIP Award?

If Completion occurs, you will be able to acquire Blancco Shares (to the extent vested) in accordance with the terms of your LTIP Award.

Your LTIP Award is subject to certain performance conditions as set out in the award letter sent to you at the time of grant. The Blancco Remuneration Committee has determined that the performance conditions have been satisfied in full. This means the number of Blancco Shares you can acquire under your LTIP Award will not be reduced based on the achievement of the performance conditions.

If you hold an LTIP Award granted to you in 2020, it will vest in full on the earlier of (a) the normal vesting date (in or around October 2023) or (b) on Completion and will not be subject to time-based vesting as described below.

However, if you hold an LTIP Award granted to you in 2021 or 2022, it is also subject to time-based vesting. This means that on Completion, the proportion of your LTIP Award that vests will be calculated to take account of the length of time you have held your LTIP Award since the beginning of the Performance Period relating to the LTIP Award as a proportion of the 3-year vesting period. If your LTIP Award does not vest in full on Completion, Bidco will grant you a cash equivalent retention award (**LTIP Retention Award**) which will be paid to you on the normal vesting date of your LTIP Award (**LTIP Retention Award Vesting Date**). For further details, see question 9 below.

The percentage of the LTIP Award that will vest on Completion is calculated by dividing (A) being the number of days that have elapsed in the Performance Period for your LTIP Award until the date of Completion by (B) being the total number of days in your Performance Period (being 1,095 days, or 3 years).

By way of example:

- If your LTIP Award was granted on 5 October 2021, meaning your Performance Period began on 1 July 2021 (being the start of Blancco's 2021 Financial Year); and
- Completion is on 31 August 2023.

then the percentage of your LTIP Award that will vest on Completion will be equal to **A/B**

- 792 days and up to and including the date of Completion) , *divided by*
- 1,095 days (the total number of days in the Performance Period), *equals*
- **73%**

As the date of Completion is currently unknown, it is not yet possible to calculate the relevant percentage. The above figures are illustrative and are provided as an example calculation only. The actual calculation will be undertaken by reference to the actual date of Completion and confirmed to you in writing.

9. What is the LTIP Retention Award and how will it be calculated?

As explained above, to the extent that your 2021 and your 2022 LTIP Award do not vest in full on Completion, the unvested portion of your LTIP Award (i.e., the difference between the total number of Blancco Shares under your 2021 and 2022 LTIP Award, and the actual number of Blancco Shares that vest on Completion) will be converted into LTIP Retention Award, granted to you by Bidco on Completion. The LTIP Retention Award will be paid to you in cash on the LTIP Retention Award Vesting Date, being the date your LTIP Award would usually vest (usually in Q4 of the Financial Year).

The LTIP Retention Award is calculated as follows:

$$(X - Y) \times Z$$

Where:

- **X** is the total number of Blancco Shares subject to your 2021 or 2022 LTIP Award;
- **Y** is the number of Blancco Shares that vest on Completion in relation to your 2021 or 2022 LTIP Award, following the application of time pro-rating; and
- **Z** is the Offer Price.

For example, if your 2021 LTIP Award relates to 1,000 Blancco Shares, 73% of your LTIP Award vests (continuing the example above) on Completion. This will mean:

- 730 Blancco Shares will vest (being 73% of the total 1,000 Blancco Shares available) and will be capable of exercise (if applicable), conditional on Completion. You can then sell the 730 vested Blancco Shares to Bidco under the terms of the Offer;
- if you sell the 730 vested Blancco Shares to Bidco in accordance with the Offer, you will receive gross consideration of £1,627.90, (being 730 vested Blancco Shares *multiplied by* the Offer Price, being 223 pence). This will be paid to you as soon as reasonably possible following Completion, and in any event, within 31 days of Completion; and
- your LTIP Retention Award will be structured as a cash payment, calculated on the remaining unvested Blancco Shares under your LTIP Award *multiplied by* the Offer Price. In this example, this would be 270 unvested Blancco Shares *multiplied by* the Offer Price, being 223 pence, totalling £602.10. This cash amount will be paid to you on the LTIP Retention Award Vesting Date.

The above figures are illustrative and are provided as an example calculation only.

10. What conditions will apply to an LTIP Retention Award?

The LTIP Retention Award will not be subject to any performance conditions, however the vesting of the LTIP Retention Award will be subject to continuing to hold a contract for services with Blancco. If you cease to hold a contract for services with Blancco prior to the relevant LTIP Retention Award Vesting Date for any reason, your relevant LTIP Retention Award will lapse, and you will not receive any payment.

GENERAL

11. What action do I need to take in relation to my LTIP Award as a result of the Offer?

If you would like to acquire Blancco Shares under your LTIP Award to the extent vested (conditional on Completion) and sell all of the Blancco Shares you acquire to Bidco under the terms of the Offer, please complete the enclosed Form of Instruction and Acceptance. Please return this to Sarah Smith by email at sarah.smith@blancco.com as soon as possible and by no later than 18:00 BST on 1 September 2023.

12. What happens when my LTIP Award vests and is exercised at Completion?

You will receive the beneficial title to your Blancco Shares and under the terms of the Form of Instruction and Acceptance, you agree for Blancco Trustees Limited to hold the legal title to the Blancco Shares acquired on your behalf until such time as they are sold to Bidco. On the sale of the Blancco Shares to Bidco, you will receive the proceeds of sale as soon as reasonably possible following Completion, and in any event, within 31 days of Completion.

13. What other choices do I have?

If you would like to acquire your Blancco Shares pursuant to your LTIP Award on or after the Offer becoming or being declared unconditional in all respects, but not sell your resulting Blancco Shares to Bidco by accepting the Offer, you should contact Sarah Smith at Blancco to obtain a separate form of instruction.

You may then keep any Blancco Shares that you acquire in relation to your LTIP Award or sell them on the London Stock Exchange's AIM Market (**AIM Market**) (as long as the Blancco Shares continue to be admitted to trading). However, if you do not accept the Offer as part of the Proposals you should note the following:

- your LTIP Award will remain exercisable for one month following Completion, after which it will lapse;
- if you attempt to sell your Blancco Share on the AIM Market, you may find that it is not possible to sell them at the Offer Price. In addition, you would ordinarily expect to incur dealing costs in respect of such a sale. Note that no dealing costs are payable on the sale of Blancco Shares under the terms of the Offer;

- if sufficient acceptances are received, then Bidco can apply the Squeeze-out process, (see question 3 above) meaning it can compulsorily acquire any Blancco Shares not acquired or agreed to be acquired by or on behalf of Bidco under the Offer or otherwise on the same terms as the Offer; and
- if the Acceptance Condition is deemed to be met and the Offer is declared unconditional in all respects, and Bidco (by virtue of its shareholdings and acceptance of the Offer) acquires, or agrees to acquire, issued share capital carrying at least 75 per cent or more of the voting rights of Blancco, it is intended that Bidco will arrange for Blancco to apply to leave the AIM market and therefore to cancel trading in Blancco Shares on that market. This is expected to occur within 20 days of the application to re-register Blancco as a private limited company. Therefore, there may not be a market on which you can sell your Blancco Shares.

14. Can I give my LTIP Award to someone else?

No. Under the LTIP rules, you cannot transfer your LTIP Award to anyone else.

15. What is the view of the Blancco Directors?

The Blancco Directors, who have been so advised by Rothschild & Co as to the financial terms of the Proposals, consider the terms of the Proposals set out in this Letter to be fair and reasonable. In providing its advice to the Blancco Directors, Rothschild & Co has taken into account the commercial assessments of the Blancco Directors.

The Blancco Directors recommend that you accept the Proposals on the terms set out in this Letter.

16. What happens to my LTIP Award if I cease to hold a contract for services before Completion?

You must hold a contract for services with Blancco on the Unconditional Date to benefit from the Proposals in relation to your LTIP Award.

17. What are the tax consequence of acquiring Blancco Shares under the LTIP Award, selling the Blancco Shares and (if applicable) receiving the payment under the LTIP Retention Award?

As a contractor/consultant, you are responsible for your settling your own taxes with the relevant tax authority. If you are unsure as to the tax treatment, please consult your regular tax advisor before completing your Form of Instruction and Acceptance.

18. I am not paid in GBP. How will the exchange rate be dealt with?

Any amount payable to you will be converted from GBP to your usual currency, using the prevailing exchange rate on or around the date on which such payment is made.

NEXT STEPS

19. What do I need to do now?

If you would like to acquire your Blancco Shares under your LTIP Award (conditional on Completion) and sell all the Blancco Shares you acquire to Bidco under the terms of the Offer, please complete the enclosed Form of Instruction and Acceptance. Please return this to Sarah Smith by email at sarah.smith@blancco.com as soon as possible and by no later than 18:00 BST on 1 September 2023.

If you wish to exercise your LTIP Award to the extent vested on the Unconditional Date but not accept the Offer, please contact Sarah Smith at Blancco as soon as possible to obtain a separate notice of exercise.

20. What if I do nothing?

If you do nothing and Completion occurs, your LTIP Award will lapse one month after the date of Completion.

21. Can I change my choice after I submit my Form of Instruction and Acceptance?

No. Once submitted, the Form of Instruction and Acceptance is irrevocable and therefore cannot be changed.

22. What if I have any other questions?

If you have any queries in relation to this Letter or how to complete the Form of Instruction and Acceptance, please contact Sarah Smith at Blancco either by email on sarah.smith@blancco.com or by telephone on 07554416000. Please note that neither Blancco nor any member of the Blancco Group can provide you with any legal, financial, tax planning or investment advice or advice on the merits of any choice or on the offer itself. **If you are in any doubt as to the action you should take, you should seek your own independent professional advice.**

**APPENDIX 2
DEFINITIONS**

AIM Market	the market known as AIM operated by the London Stock Exchange
Acceptance Condition	The condition upon which the Offer is conditional, being that Bidco must receive valid acceptances from Blancco Shareholders who in aggregate hold Blancco Shares carrying more than 90 per cent of the voting rights normally exercisable at a general meeting and Bidco must acquire or agree to acquire more than 50 per cent of the Blancco Shares.
Bidco	White Bidco Limited
Bidco Board or Bidco Directors	the directors of Bidco at the date of this Letter
Bidco Group	Bidco and its subsidiary undertakings from time to time
Blancco	Blancco Technology Group plc
Blancco Board or Blancco Directors	the directors of Blancco at the date of this Letter
Blancco Group	Blancco and its subsidiary undertakings from time to time
Blancco Shares	the ordinary shares of £0.02 each in the capital of Blancco
Blancco Shareholders	the holders of Blancco Shares
Closing Date	the last date that the Offer remains capable of acceptance in accordance with the terms
Completion	the date on which the Offer becomes or is declared unconditional in all respects
Financial Year	a financial year of Blancco, starting on 1 July and ending on 30 June
Form of Instruction and Acceptance	the form of acceptance and election relating to the Offer enclosed with this Letter
Francisco Partners Responsible Persons	the persons whose names and positions are set out in paragraph 2(c) of Appendix IV at page 62 of the Offer Document
Letter	this letter
LTIP	the Blancco Performance Share Plan, adopted by the Blancco Board on 14 March 2018 and amended on 23 September 2021

LTIP Award	an award granted pursuant to the rules of the LTIP
LTIP Retention Award	a cash award granted by the Bidder in relation to any unvested LTIP Award on Completion
LTIP Retention Award Vesting Date	the date on which the LTIP Retention Award will vest, being the same date as the original LTIP Award should have vested
Nil-Cost Option	an LTIP Award where Blancco Shares are provided once the LTIP Award has vested, and the participant has submitted an exercise notice
Offer	the recommended offer by and on behalf of Bidco by means of a takeover offer as defined under Chapter 3 of Part 28 of the Companies Act 2006 to acquire the entire issued and to be issued share capital of Blancco other than the Blancco Shares already owned or controlled by Bidco on the terms set out in the Offer Document, including, where context admits, any subsequent revision, variation, extension or renewal of such offer
Offer Document	the document setting out the terms and conditions of the Offer made by Bidco to acquire the entire issued and to be issued share capital of Blancco, which was despatched to Blancco Shareholders on 8 August 2023
Offer Price	223 pence per Blancco Share
Performance Period	the period of assessment for performance conditions, being the period of three Financial Years beginning with Financial Year in which the Blancco Board granted the LTIP Award
Proposals	the proposals being made to holders of LTIP Award as set out in this Letter
Rothschild & Co	N.M Rothschild & Sons Limited, financial adviser and Rule 3 adviser to Blancco
Squeeze-out	means if the Offer becomes or is declared unconditional and Bidco holds 90 per cent or more the Blancco Shares to which the Offer relates, Bidco may become entitled or bound under sections 979 to 982 (inclusive) or sections 983 to 985 (inclusive) of the Companies Act 2006 to acquire compulsorily, on the same terms as the Offer, the remaining Blancco Shares in respect of which the Offer has not at such time been accepted
Takeover Code	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers, as amended from time to time

Unconditional Date	the date that Bidco acquires control of Blancco on the date the Offer becomes or is declared unconditional in all respects, which is expected to be on or before 7 October 2023
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APPENDIX 3

NOTES

- (i) Receipt of documents will not be acknowledged.
- (ii) The Form of Instruction and Acceptance, including the instructions and notes on it, shall be deemed an integral part of this Letter and the Proposal.
- (iii) The Proposals and acceptances in respect of it shall be governed by and construed in accordance with English law.
- (iv) A copy of the rules of the LTIP is available for inspection at Blancco's office at Suite 1 Chapel House, Start Hill, Bishop's Stortford, Hertfordshire, United Kingdom, CM22 7WE during usual business hours or upon request to Sarah Smith.
- (v) Unless the context otherwise requires, words and expressions defined in the Offer Document and the LTIP have the same meaning in this Letter relating to Blancco and the LTIP. In the event of any differences between this Letter and the LTIP and the relevant legislation, the rules of LTIP and the legislation will prevail.
- (vi) The Blancco Directors, whose names are set out in paragraph 2(a), Appendix IV at page 62 of the Offer Document, accept responsibility for the information contained in this Letter (including expressions of opinion) relating to the Blancco Group, persons acting in concert with the Blancco Group, the Blancco Directors and their close relatives and related trusts and companies. To the best of the knowledge and belief of the Blancco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (vii) The Bidco Directors, whose names are set out in paragraph 2(b), Appendix IV at page 62 in the Offer Document and the Francisco Partners Responsible Persons, whose names are set out in paragraph 2(c), Appendix IV at page 62 in the Offer Document, accept responsibility for the information (including any expressions of opinion) other than the information for which responsibility is taken by the Blancco Directors pursuant to paragraph (vi) above. To the best of the knowledge and belief of the Bidco Directors and the Francisco Partners Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (viii) Rothschild & Co, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom is acting exclusively as financial adviser to Blancco and no-one else in connection with the subject matter of this document and will not be responsible to anyone other than Blancco for provided the protections afforded to clients of Rothschild & Co or for providing advice in connection with the subject matter of this Letter.

- (ix) Rothschild & Co has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.
- (x) Accidental omission to despatch this Letter to, or any failure to receive the same by, any person to whom the proposals are made or should be made, shall not invalidate the Proposals in any way.