

A. Description of Business and Strategy

A1. Background on Gresham House

Gresham House was incorporated in 1857 and from 1950 to 2014 its Ordinary Shares were listed on the Official List. From 1966 until 2014, Gresham House operated as an Authorised Investment Trust.

A2. New Strategic Development

On 8 October 2014, the Company announced the final terms of a new strategic direction including the appointment of new directors: see our team.

The Company cancelled its listing of Ordinary Shares on the premium segment of the Official List, removed such Ordinary Shares from trading on the Main Market, and successfully applied for the admission of the Ordinary Shares and the Shareholder Warrants to trading on AIM as an investing company on 1 December 2014.

Subsequently, the Directors have pursued a strategy to:

- develop the Company as a quoted platform principally for investment in, and the investment management of, relatively differentiated, specialist or illiquid assets in order to generate superior risk adjusted returns for Shareholders of the Company over the longer term;
- develop an asset management business organically or through one or more acquisitions; and
- manage and develop an appropriate strategy for each of the Company's legacy assets (including its property assets) so as to maximise the value of the assets over the medium term, in order to recycle the capital into areas the Directors believe will generate superior returns.

A3. Development of Investment Management Business

In continuance of the strategy described above, the Company has begun to focus on investment management of relatively differentiated, specialist or illiquid assets, through the asset management mandate with Gresham House Strategic (described below), and also is seeking out new investment fund opportunities.

On 21 July 2015, Gresham House Asset Management Limited ("GHAM"), a subsidiary of Gresham House plc, entered into its first asset management mandate with SPARK Ventures plc (now called Gresham House Strategic plc (AIM: GHS). Gresham House agreed to invest £5 million in SPARK and swapped its entire 10.6 per cent. shareholding in Spaceand People plc for new shares in SPARK. The appointment and associated fundraising by SPARK was approved by its shareholders on 6 August 2015. On 28 October 2015, SPARK's name was changed from SPARK Ventures plc to Gresham House Strategic plc.

On 9 November 2015, it was announced that GHAM had been authorised by the Financial Conduct Authority so that in the future, GHAM can act as the investment management vehicle for the Group's operations.

A4. Acquisition of Aitchesse

On 4 November 2015, the Company announced that, in line with its strategy to develop an asset management business, it had agreed to acquire the entire issued share capital of Aitchesse, an asset management business based in Scotland that focuses on managing forestry and timber assets.

A5. Strategy of the Enlarged Group

The acquisition of Aitchesse results in Gresham House being an operating company instead of an investing company. The Company is no longer subject to the AIM Rules that relate to Investing Companies and therefore is no longer required to have an investing policy.

Instead, the Directors intend to pursue a strategy to develop an asset management business focusing on the management of relatively differentiated, specialist or illiquid assets.

It is expected that the strategy of Gresham House will focus on strategic equity, real asset management and the continued realisation of the Group's legacy assets.