



PALACE CAPITAL_{plc}

Palace Capital Plc
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27 February 2018

Dear Shareholder,

I am delighted to write to you today with an enclosed Prospectus signalling Palace Capital plc's ("**Palace Capital**" and together with its subsidiaries, the "**Group**") move from AIM to the Main Market of the London Stock Exchange (the "**Main Market**").

This letter requires no action by you. The prospectus attached (which is being sent to you for information only) is being issued as part of an introduction to the Main Market and no new equity is being issued by the Group. Pursuant to Rule 41 of the AIM Rules for Companies, the Group has to inform the London Stock Exchange of its preferred date for the cancellation of trading in its shares on AIM at least twenty business days prior to the actual date of cancellation. We have announced our intention to move to the Main Market today, 27 February 2018, and we expect Palace Capital's shares to be listed on the Main Market on 28 March 2018.

I'd like to take this opportunity to thank our shareholders for their continued support. In a short period of time we have developed Palace Capital from a market capitalisation of £0.1 million into a Group about to embark on the next phase of its growth on the Main Market with a market capitalisation, as at close of trading on 26 February 2018, of £145 million. We see the move to the Main Market as a natural progression for the Group and we believe the Group now has the platform and the management team to provide long term future growth for shareholders.

I look forward to writing to you in the future with new Group developments.

Yours sincerely

Neil Sinclair
Chief Executive
Palace Capital plc



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