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If you have sold or otherwise transferred all of your Ordinary Shares, please immediately forward this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

The Directors (whose names and functions appear on page 5 of this document) and the Company (whose registered office appears on page 5 of this document) accept responsibility, both collectively and individually, for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.

This document contains no offer of transferable securities to the public within the meaning of section 102B of the FSMA, the Act or otherwise. Accordingly, this document does not constitute a prospectus within the meaning of section 85 of the FSMA and has not been drawn up in accordance with the Prospectus Rules or approved by the FCA or any other competent authority.

Digital Barriers plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 07149547)

Proposed disposal of the Video Business Proposed change of name to Thruvision Group plc and Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out in Part 1 of this document and which contains, amongst other things, the Independent Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting.

Investec Bank plc ("**Investec**"), which, in the United Kingdom, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as nominated adviser and broker to the Company in connection with the Disposal and will not be acting for any other person (including a recipient of this document) or otherwise be responsible to any person for providing the protections afforded to clients of Investec or for advising any other person in respect of the Disposal or any transaction, matter or arrangement referred to in this document. Investec's responsibilities as the Company's nominated adviser and broker are owed solely to London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Investec by the FSMA or the regulatory regime established thereunder, Investec does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Ordinary Shares or the Disposal. Investec accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

Notice of the General Meeting of Digital Barriers plc, to be held at the offices of Osborne Clarke LLP, One London Wall, London, EC2Y 5EB at 10.00 a.m. on 26 October 2017, is set out at the end of this document. To be valid, the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE, by not later than 10.00 a.m. on 24 October 2017 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). Completion and return of Forms of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

Shareholders who hold their Ordinary Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Computershare Investor Services plc (ID 3RA50) by no later than 10.00 a.m. on 24 October 2017 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting). The appointment of a proxy using the CREST Proxy Voting Service will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

A copy of this document is available at the Company's website www.digitalbarriers.com.

IMPORTANT NOTICE

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Directors’ current intentions, beliefs or expectations concerning, among other things, the Existing Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the Existing Group’s markets.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors’ current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Existing Group’s and the Continuing Group’s operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors’ expectations or to reflect events or circumstances after the date of this document.

Notice to overseas persons

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Presentation of financial information

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent. In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

Presentation of market, economic and industry data

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

The contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained at the section of this document under the heading “Definitions”.

All times referred to in this document and the Form of Proxy are, unless otherwise stated, references to London time.

All references to legislation in this document and the Form of Proxy are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2017¹

Publication of this document	9 October
Latest time and date for receipt of Forms of Proxy and CREST voting instructions	10.00 a.m. on 24 October
General Meeting	10.00 a.m. on 26 October
Expected completion of the Disposal by	31 October

Notes:

1. Each of the above times and/or dates is subject to change at the absolute discretion of the Company and Investec. If any of the above times and/or dates should change, the revised times and/or dates will be announced through a Regulatory Information Service.

DIRECTORS, SECRETARY AND ADVISERS

Directors

Tom Black (*Chairman*)
Zak Doffman (*Chief Executive Officer*)*
Colin Evans (*Chief Operating Officer*)
Sharon Cooper (*Chief Financial Officer*)
Paul Taylor (*Non-executive Director*)
Bernie Waldron (*Non-executive Director*)
* non-Independent Director

All of whose business address is at the Company's registered and head office

Registered and Head Office

121 Olympic Avenue
Milton Park
Abingdon
OX14 4SA

Company website

www.digitalbarriers.com

Company Secretary

John Woollhead

Nominated Adviser and Broker

Investec Bank plc
2 Gresham Street
London
EC2V 7QP

Legal advisers to the Company

Osborne Clarke LLP
One London Wall
London
EC2Y 5EB

Registrars

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

DEFINITIONS

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

“Act”	the Companies Act 2006 (as amended)
“AIM”	the AIM Market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Asset Transfer Agreement”	the asset transfer agreement to be entered into between (1) Digital Barriers Services Limited (2) Thruvision Limited and (3) the Company in connection with the transfer of the Thruvision Business to Thruvision Limited
“certificated form” or “in certificated form”	an Ordinary Share recorded on a company’s share register as being held in certificated form (namely, not in CREST)
“Company” or “Digital Barriers”	Digital Barriers plc, a company incorporated and registered in England and Wales under the Act with registered number 07149547
“Completion”	completion of the sale and purchase of the whole of the issued share capital of each of the Target Companies in accordance with the Share Purchase Agreement
“Continuing Group”	the Company and its subsidiary undertakings following Completion and “Continuing Group Company” shall mean any one of them
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755)
“Directors” or “Board”	the directors of the Company whose names are set out on page 5 of this document, or any duly authorised committee thereof
“Disposal”	the proposed disposal by the Company of the Video Business pursuant to the Share Purchase Agreement
“Existing Group”	the Company and its subsidiary undertakings as at the date of this document (including, without limitation, the Target Companies)
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“FCA”	the UK Financial Conduct Authority
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the General Meeting of the Company to be held at 10.00 a.m. on 26 October 2017, notice of which is set out at the end of this document
“Group Companies”	the Target Companies and any subsidiary of the Target Companies and “Group Company” shall mean any one of them
“Independent Directors”	the Directors other than Zak Doffman

“Investec”	Investec Bank plc, the Company’s nominated adviser and broker
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting” or “Notice”	the notice convening the General Meeting which is set out at the end of this document
“Ordinary Shares”	ordinary shares of one penny each in the capital of the Company
“Prospectus Rules”	the prospectus rules made by the FCA pursuant to section 73A of the FSMA
“Purchaser” or “Volpi”	Project Gateway Bidco Limited, a subsidiary of Volpi Capital LLP
“Registrar”	Computershare Investor Services plc, the Company’s registrar
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Share Purchase Agreement”	the conditional share purchase agreement dated 7 October 2017 and made between the Company and the Purchaser
“Shareholders” and each a “Shareholder”	holders of Ordinary Shares
“Target Companies”	each of: (a) Digital Barriers Services Limited; (b) Digital Barriers ME FZ-LLC; (c) Digital Barriers PTE Ltd; (d) Digital Barriers SAS; (e) Digital Barriers Inc.; and (f) Digital Barriers SDN BHD
“Transaction Documents”	together, the Share Purchase Agreement, the Transitional Services Agreement and the Asset Transfer Agreement
“TUPE Regulations” or “TUPE”	the Transfer of Undertakings (Protection of Employment) Regulations 1981 (SI 1981/1794) and/or, as the case may be, the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246)
“Transitional Services Agreement”	the transitional services agreement to be entered into between the Purchaser and the Company in connection with the provision of certain services between the parties following Completion
“Thruvision Business” or “Thruvision”	all of the business carried on by the Existing Group in relation to the development, manufacture, supply and support of passive, TeraHertz people-screening technology and accessories for the global security technology market, comprising government and commercial customers, both directly and via selected commercial partners
“UK”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America, each State thereof, its territories and possessions (including the District of Columbia) and all other areas subject to its jurisdiction

**“uncertificated” or
“in uncertificated form”**

an Ordinary Share recorded on a company’s share register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“Video Business”

all of the business of the Existing Group other than the Thruvision Business

PART 1

LETTER FROM THE CHAIRMAN OF DIGITAL BARRIERS PLC

Digital Barriers plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 07149547)

Directors:

Tom Black *(Non-executive Chairman)*
Zak Doffman *(Chief Executive Officer)**
Colin Evans *(Chief Operating Officer)*
Sharon Cooper *(Chief Financial Officer)*
Paul Taylor *(Non-executive Director)*
Bernie Waldron *(Non-executive Director)*

* non-Independent Director

Registered office:

121 Olympic Avenue
Milton Park
Abingdon
OX14 4SA

9 October 2017

To Shareholders

Dear Shareholder,

**Proposed disposal of the Video Business
Proposed change of name to Thruvision Group plc
and
Notice of General Meeting**

1. Introduction

Your Board announced on 9 October 2017 that it has conditionally agreed to sell the entire issued share capital of the Target Companies, comprising the Existing Group's Video Business, to Volpi for a maximum aggregate consideration of up to £27.5 million in cash. Of the total consideration payable under the terms of the Disposal, £25.5 million is payable on Completion (on a cash free/debt free basis) and the remaining £2.0 million is payable subject to the Video Business securing a specific trading contract within 12 months following Completion.

The Disposal is of sufficient size relative to that of the Existing Group to constitute a disposal resulting in a fundamental change of business pursuant to Rule 15 of the AIM Rules and Completion is, therefore, conditional upon the approval of Shareholders. Following Completion, the Company also intends to change its name to Thruvision Group plc to reflect better the business of the Continuing Group and the approval of Shareholders is also being sought for this at the General Meeting.

The Company's Chief Executive Officer, Zak Doffman, will be joining the Video Business following Completion and is, therefore, not considered independent in connection with the Disposal and the Directors' recommendation to Shareholders.

Accordingly, your approval of the Disposal is being sought at a General Meeting of the Company to be held at the offices of Osborne Clarke LLP, One London Wall, London, EC2Y 5EB at 10.00 a.m. on 26 October 2017. The Notice convening the General Meeting and setting out the Resolutions to be considered at it is set out at the end of this document. A summary of the action you should take is set out in paragraph 9 of this letter and on the Form of Proxy which accompanies this document.

Further details of the Disposal and the Transaction Documents are set out below and in Part 2 of this document.

The purpose of this document is to give you further details of the Disposal, including the background to and reasons for it, to explain why the Independent Directors consider it to be in the best interests of the Company

and its Shareholders as a whole and to unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as the Independent Directors have irrevocably undertaken to do so in respect of the 11,222,677 Ordinary Shares in which they are beneficially interested, representing approximately 6.8 per cent. of the existing issued share capital of the Company.

Shareholders should be aware that if Resolution 1 is not approved at the General Meeting the Disposal will not proceed. Accordingly, the Board would need to consider alternative strategies for the Existing Group, including any associated financing.

2. Background to and reasons for the Disposal

The Company conducted a far-reaching, internal review following the disappointing financial performance of the Existing Group in the financial year ended 31 March 2017.

The headline conclusion of the review was that the Existing Group was operating as two distinct businesses: the Video Business and the Thruvision, people-screening business, details of which are set out below. Whilst they shared some geographical overlaps it was clear that, in practice, they shared very few end customers and have different business and financial characteristics.

The review confirmed that the unpredictable nature of the sales cycles the Existing Group faced was unlikely to change in the near to medium term, and, just as importantly, that larger sales would likely exacerbate the lumpy nature of the Existing Group's revenue streams. The Existing Group has class-leading technologies which are now being acquired by flagship customers around the world, but these procurements are often part of larger programmes with complex budgets and delivery schedules. The Company's conclusion was that to continue as it is would stretch the resources available to the Existing Group within its current structure and that it would be doing so against this backdrop of forecast uncertainty and its consequent risk to period-end reporting.

The review further concluded that the foregoing challenges were especially relevant to the Video Business but less relevant to the Thruvision Business. Although Thruvision is still modest in revenue terms, it benefits from protected technology that is unique in its field, and an emerging customer base that includes the US Transportation Security Administration. Since the Thruvision Business and the Video Business are different in nature, the Existing Group naturally divides into two business units with different operating models.

The Video Business, which is based around EdgeVis live video streaming technology, SmartVis video analytics and incorporates Brimtek in the US, has the following characteristics:

- **Operationally proven technology:** a proven set of product offerings, strong penetration into a number of regional markets (notably the US) and an exciting roadmap, including facial recognition and body-worn video technology;
- **Complex solutions:** solutions that generally form part of broader, more complex systems which has adverse consequences for the level of control the Existing Group can exert over procurements and sales cycle durations; and
- **Two distinct markets:** core revenues are generated from direct sales into high barrier-to-entry government agencies, with penetration into the more competitive network-video market through global technology partners.

This conclusion resulted in a Video Business sale process, managed by Investec, which involved approaching a range of potential trade and financial buyers. Following a multi-staged and competitive process, the Board has reached agreement with the Purchaser for the sale of the Video Business for a cash consideration of up to £27.5 million. Zak Doffman, the Company's Chief Executive Officer, and 127 other employees of the Video Business will leave the Existing Group and work with its new owners to develop and implement a new, standalone strategy for the Video Business.

The Board believes that the terms of the Disposal represent good value for Shareholders and appropriately values the future growth potential of the Video Business against the uncertain nature and timing of that growth which could require additional funding.

Further details of the Disposal and the Transaction Documents are set out below and in Part 2 of this document.

3. Principal terms of the Disposal

Pursuant to the terms of the Share Purchase Agreement, the Company has conditionally agreed to sell the entire issued share capital of each of the Target Companies, which comprise the Video Business, to the Purchaser. Prior to the Disposal, the business, assets and liabilities of the Thruvision Business will be transferred from Digital Barriers Services Limited to a newly incorporated subsidiary, Thruvision Limited owned by the Company, pursuant to the terms of the Asset Transfer Agreement, further details of which are described in Section B of Part 2 of this document. Thruvision Limited will remain within the Continuing Group.

The maximum consideration payable for Disposal is an aggregate of £27.5 million in cash of which £25.5 million is payable on Completion (on a cash free/debt free basis) and the remaining £2.0 million is payable subject to the Video Business securing a specific trading contract within 12 months following Completion.

Completion is conditional upon the approval of the Disposal by Shareholders.

The Company and the Purchaser have also agreed to provide each other with certain transitional and administration services following Completion pursuant to the terms of the Transitional Services Agreement.

Further details of the Transaction Documents are set out in Part 2 of this document.

4. Financial effects of the Disposal and use of the proceeds

On 29 September 2017, the Company announced its audited financial results for the year ended 31 March 2017 (the “**Final Results**”).

For the year ended 31 March 2017, the Video Business generated revenue of £24.5 million and an operating loss of £15.2 million. The operating loss included an impairment charge of £7.5 million and a re-allocation of certain costs which will either transfer to the Video Business on Completion or be retained by the Continuing Group.

At 31 March 2017, the Video Business had gross assets of £43.6 million and net assets of £36.0 million. These amounts include goodwill attributable to the Video Business of £17.1 million.

The value of the Video Business’ unaudited net assets, including goodwill, at 31 July 2017, which is the date being used as the reference point to agree with the Purchaser the value of net assets that will be transferred on Completion, was £31.4 million.

The net proceeds of the Disposal, after payment of transaction costs and the repayment of approximately £6.2 million of existing indebtedness, will provide a robust balance sheet for the on-going Thruvision business. Subject to appropriate legal and regulatory authorisations, the Company also expects to return excess funds to Shareholders in due course.

5. Current trading and prospects of the Continuing Group

In the Final Results, the Company made the following statement on the Existing Group’s current trading:

“Trading in the first half of the current financial year has been good with unaudited revenues to the end of August 13 per cent. ahead of the same period last year. Backlog has grown even more strongly with Brimtek performing particularly well in the first half although the lower margin nature of these sales will reduce the profit impact in H2. Asia, with sales at 50 per cent. ahead of last year, has also recovered well although EMEA is slightly behind its comparable sales on last year. Despite this healthy momentum, sales cycles remain unpredictable and some slippage of expected opportunities into H2 has occurred. The business has continued to incur losses albeit these are reduced from last year.”

Thruvision is a proven, people-screening technology for “stand-off” detection of weapons, explosives and contraband under clothing. It is a specialist thermal camera, operating in the far infrared range of the electromagnetic spectrum, which sees concealed objects as relatively cold against warm bodies.

The Existing Group acquired Thruvision in 2012, and since then, significant effort has been invested in taking what was a very early stage, pioneering technology to the point where today it has the following characteristics:

- **Operationally proven technology:** a solution to current counter-terrorism challenges which has been successfully used operationally by both the Transportation Security Administration and G4S;
- **Limited competition and simplicity of deployment:** although there are many people-screening systems deployed globally, Thruvision has the great advantage of stand-off operation (i.e. with a detection range over 5 metres) and simple, standalone deployment, avoiding the need for complex integration into existing infrastructure; and
- **Multiple potential markets at an early stage of development:** Thruvision was originally developed for the counter-terrorism market but has now also demonstrated applicability in other markets, namely customs applications (cash and narcotics smuggling) and loss-prevention (theft from warehouses).

In summary, the Directors believe that a substantial new international market, measured in tens of thousands of units over the next five years, is becoming available and that, with the Thruvision Business's key differentiators now in place, there is an opportunity and focus to drive rapid, organic and profitable growth of Thruvision as a standalone business.

6. Proposed change of name and management changes

The Company proposes to change its name to "Thruvision Group plc" on Completion to reflect better the business of the Continuing Group. As a result of the change of name, with effect from Completion the Ordinary Shares will trade under the new TIDM "THRU".

As stated in the Final Results, following Completion, the following Board changes will become effective:

- Zak Doffman, the Company's Chief Executive Officer, will join the Video Business on Completion;
- Tom Black, Non-executive Chairman, will become Executive Chairman on Completion;
- Colin Evans, Chief Operating Officer, will become Managing Director on Completion; and
- Sharon Cooper, Chief Financial Officer, will leave the Company following a short transition period.

Bernie Waldron will also be stepping down from his position as a Non-executive Director with effect from the Company's forthcoming annual general meeting.

7. Irrevocable undertakings

All of the Directors, Herald Investment Management Limited and Henderson Global Investors Limited have entered into irrevocable undertakings to vote their aggregate holdings of 35,969,522 Ordinary Shares in favour of Resolution 1. The Company has also received letters of intent from Schroders Investment Management Limited and Invesco Asset Management Limited holding, in aggregate, 41,617,619 Ordinary Shares, to vote in favour of Resolution 1. Therefore, the Company has received irrevocable undertakings and letters of intent to vote in favour of Resolution 1 from Shareholders holding, in aggregate, 77,587,141 Ordinary Shares, representing 47 per cent. of the Company's existing issued share capital.

8. The General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held on 26 October 2017 at the offices of Osborne Clarke LLP, One London Wall, London, EC2Y 5EB at 10.00 a.m., at which Resolution 1 will be proposed as an ordinary resolution and Resolution 2 will be proposed as a special resolution.

Resolution 1, which will be proposed as an ordinary resolution, is to approve the Disposal and to authorise the Directors to take all steps necessary or desirable to complete the Disposal.

The implementation of the Disposal is conditional upon the passing of Resolution 1 set out in the Notice.

Resolution 2, which will be proposed as a special resolution and which is conditional upon the passing of Resolution 1 and Completion, is to approve the proposed change of the Company's name to Thruvision Group plc.

The full text of the Resolutions is set out in the Notice at the end of this document.

9. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE, as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 24 October 2017 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Computershare Investor Services plc (ID 3RA50) by no later than 10.00 a.m. on 24 October 2017 (or, if the General Meeting is adjourned, 48 hours (excluding any part of a day that is not a working day) before the time fixed for the adjourned meeting).

The completion and return of a Form of Proxy or the use of the CREST Proxy Voting Service will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

10. Working capital and importance of the vote

The Board is of the opinion that, taking into account the net proceeds of the Disposal and the banking and other facilities available to the Continuing Group, the Continuing Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.

As set out below, the Independent Directors unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. In deciding how to vote, Shareholders should be aware that if Resolution 1 is not approved at the General Meeting the Disposal will not proceed. Accordingly, the Board would need to consider alternative strategies for the Existing Group, including any associated financing.

Accordingly, it is important that Shareholders vote in favour of Resolution 1 in order that the Disposal can proceed.

11. Recommendation

The Independent Directors consider the Disposal to be in the best interests of the Company and its Shareholders as a whole and accordingly unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate, to 11,222,677 Ordinary Shares, representing approximately 6.8 per cent. of the existing issued ordinary share capital of the Company.

Yours faithfully

Tom Black
Chairman

PART 2

SUMMARY OF THE PRINCIPAL TERMS OF THE TRANSACTION DOCUMENTS

SECTION A: THE SHARE PURCHASE AGREEMENT

1. General

The Share Purchase Agreement was entered into on 7 October 2017 between the Company and the Purchaser.

Pursuant to the terms of the Share Purchase Agreement, the Company has agreed to sell and the Purchaser has agreed to purchase the entire issued share capital of each of the Target Companies, representing the entire Video Business.

2. Conditions

Completion of the Share Purchase Agreement is conditional upon the passing of Resolution 1 at the General Meeting. If the condition is not satisfied, the Share Purchase Agreement will automatically terminate with immediate effect.

3. Pre-Completion obligations

The Company has given certain, customary covenants to the Purchaser in relation to the operation of the Video Business in the period between the signing of the Share Purchase Agreement and Completion and will not take certain specified actions during such period without the prior written consent of the Purchaser.

4. Consideration

The maximum consideration payable for the Target Companies by the Purchaser is an aggregate of £27.5 million in cash of which £25.5 million is payable on Completion (the “**Initial Consideration**”) and the remaining £2.0 million is payable subject to the Video Business securing a specific trading contract within 12 months following Completion. The Initial Consideration includes estimations for the levels of cash, indebtedness and working capital as at the date of Completion which will be adjusted to reflect actual levels of cash, indebtedness and working capital by a completion accounts mechanism.

5. Termination

If any of the Completion obligations (as set out in the Share Purchase Agreement) are not complied with on the date set for Completion or, at any time between the date of the Share Purchase Agreement and Completion, there has been a material breach of any of the warranties or pre-completion obligations under the Share Purchase Agreement then the Purchaser or the Company (as appropriate) may:

- (a) defer Completion with respect to some or all of the issued share capitals of the Target Companies to a date not less than 7 nor more than 28 Business Days after that date; or
- (b) proceed to Completion so far as practicable but without prejudice to any other rights which it may have under the Share Purchase Agreement and without waiving any right to sue for breach of the Share Purchase Agreement or the warranties or claim under the tax covenant; or
- (c) terminate the Share Purchase Agreement (save for certain provisions relating to, amongst other things, confidentiality, costs and expenses and announcements which shall survive) by notice in writing.

A “material breach” means a breach of the warranties relating to the capacity and authority of the Company to enter into the Share Purchase Agreement, the title to the shares to be sold, the solvency of the Group Companies comprising the Video Business and the Group Companies carrying on business in the normal and ordinary course which could reasonably be expected to give rise to a *bona fide* claim against the Company in excess of £1,000,000.

6. Post-completion restrictive covenants

The Company has agreed to certain customary restrictive covenants in relation to the Video Business, its employees and clients for a period of two years following Completion and to procure that other members of the Continuing Group, directly and indirectly, comply with such restrictions.

7. Employees

The employees of Digital Barriers Services Limited who are wholly or mainly engaged in the Thruvision Business will be transferred to Thruvision Limited immediately prior to Completion as a result of the Asset Transfer Agreement and pursuant to the TUPE Regulations, further details of which are set out in paragraph 2 of Section B of this Part 2. All other employees will remain with the Video Business and continue to be employed by their respective Target Companies.

8. Warranties and limitations

The Company has agreed to give the Purchaser certain warranties of a nature customarily given in a sale and purchase agreement in relation to, amongst other things, the historical financial information relating to the Video Business, its business and assets, intellectual property, properties and the employees of the Video Business. The warranties are given by the Company on the date of the Share Purchase Agreement. The warranties are, other than those warranties relating to capacity and authority of the Company to enter into the Share Purchase Agreement, the title to the shares to be sold, the solvency of the Group Companies comprising the Video Business and the Group Companies carrying on business in the normal and ordinary course, qualified by certain general and specific disclosures made in a disclosure letter delivered to the Purchaser on the date of the Share Purchase Agreement.

The Company's liability in respect of a breach of the warranties contained in the Share Purchase Agreement is subject to certain limitations, including a time limit of 18 months in which notification of a potential claim under the warranties must be notified by the Purchaser and a time limit of six months following the expiry of such notification period in which proceedings in respect of a claim must be brought, together with an overall limit to the Company's liability for any warranty breach (subject to certain limited exceptions) of the Share Purchase Agreement of an amount equal to 50 per cent. of the amount of the consideration actually received by the Company.

9. Governing law

The Share Purchase Agreement is governed by English law.

SECTION B: THE ASSET TRANSFER AGREEMENT

1. General

Pursuant to the terms of the Asset Transfer Agreement to be entered into between (1) Digital Barriers Services Limited (2) Thruvision Limited and (3) the Company, Digital Barriers Services Limited will transfer certain assets and liabilities comprising the Thruvision Business to Thruvision Limited. The consideration for the transfer of such assets and liabilities will be the issue of consideration shares in the capital of Thruvision Limited which will subsequently be transferred the Company in partial satisfaction of an intra-group balance between Digital Barriers Services Limited and the Company.

2. Employees

The employees of Digital Barriers Services Limited wholly or mainly engaged in the Thruvision Business will be transferred to Thruvision Limited immediately prior to Completion pursuant to the TUPE Regulations. Thruvision Limited will give certain customary indemnities to Digital Barriers Services Limited in respect of liabilities for claims arising in relation to:

- (a) any claim made by or on behalf of any employee which relates to his or her employment and/or termination of employment by the Digital Barriers Services Limited prior to the date of Completion;
- (b) subject to the terms of the Transitional Services Agreement, any claim made by or on behalf of any employee which relates to his or her employment and/or termination of employment by Thruvision Limited on and/or after the date of Completion; and
- (c) any claim made by or on behalf of any employee in respect of any failure by Digital Barriers Services Limited to comply with the TUPE Regulations.

3. Post-completion restrictive covenants

Digital Barriers Services Limited will be subject to certain customary restrictive covenants in relation to the Thruvision Business and its employees following Completion. Digital Barriers Services Limited will agree to certain customary restrictive covenants in relation to the Thruvision Business, its employees and clients for a period of two years following Completion.

4. Governing law

The Asset Transfer Agreement will be governed by English law.

SECTION C: THE TRANSITIONAL SERVICES AGREEMENT

1. General

Pursuant to the terms of the Transitional Services Agreement to be entered into between the Company and the Purchaser, each party will agree to respectively provide certain transitional and administration services to the other and their respective groups for specific agreed periods following Completion.

The Company and the Purchaser will pay each other certain fees and expenses for the performance of the services to each other.

2. Warranties and indemnities

The Transitional Service Agreement contains certain TUPE warranties and indemnities if any contract of employment of either party's employees is alleged to transfer to the other party or its group upon the execution of, during the currency of, or upon termination of the Transitional Services Agreement.

3. Governing law

The Transitional Services Agreement will be governed by English law.

NOTICE OF GENERAL MEETING

Digital Barriers plc

*(Incorporated under the Companies Act 2006 and registered in
England and Wales with registered number 07149547)*

NOTICE IS HEREBY GIVEN THAT a General Meeting of Digital Barriers plc (the “**Company**”) will be held at the offices of Osborne Clarke LLP, One London Wall, London, EC2Y 5EB at 10.00 a.m. on 26 October 2017 to consider and, if thought fit, to pass the following resolutions of which Resolution 1 will be proposed as an ordinary resolution of the Company and Resolution 2 will be proposed as a special resolution of the Company:

Resolution 1

THAT, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange plc, the disposal (the “**Disposal**”) by the Company of the entire issued share capitals of the Target Companies (as defined in the circular to the Company’s shareholders dated 9 October 2017) on the terms and subject to the conditions set out in the agreement dated 7 October 2017 (the “**Share Purchase Agreement**”) between (1) the Company and (2) Project Gateway Bidco Limited and related documentation to be entered into pursuant to the Share Purchase Agreement, be and is hereby approved with such minor amendments as the Directors may approve, and the Directors or any duly authorised committee of the Directors be and are hereby authorised to take all steps necessary or desirable to complete the Disposal.

Resolution 2

That, conditional upon the passing of resolution 1 and completion of the Disposal, the registered name of the Company be changed to Thruvision Group plc.

Dated: 9 October 2017

Registered Office:

121, Olympic Avenue
Milton Park
Abingdon
Oxon
OX14 4SA

By order of the Board:

John Woolhead
Company Secretary

Notes:

1. Every shareholder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his or her proxy to exercise all or any of his or her rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided on the reverse of the proxy form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder’s name on the reverse of the proxy form, the number of shares in relation to which they are authorised to act as your proxy. If returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes (or if this proxy form has been issued in respect of a designated account for a shareholder, the proxy will exercise his or her discretion as to whether, and if so how, he or she votes).
2. To appoint more than one proxy to exercise rights attached to different shares, an additional proxy form(s) may be obtained by contacting the Registrar’s helpline on 0370 707 1889 or you may photocopy the proxy form. Please indicate in the box next to the proxy holder’s name on the reverse of the proxy form the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. To be valid a proxy form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated must be included with your proxy form. You can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.
3. The ‘Vote Withheld’ option is provided to enable you to abstain on any particular resolution. However, it should be noted that a ‘Vote Withheld’ is not a vote in law and will not be counted in the calculation of the proportion of the votes ‘For’ and ‘Against’ a resolution.

4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by Computershare Investor Services plc (ID number 3RA50) not later than 10.00 a.m. on 24 October being two working days before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).
6. The address on the proxy form is how it appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0370 707 1889 to request a change of address form or go to www.investorcentre.co.uk to use the online Investor Centre service.
7. Any alterations made to the proxy forms should be initialled.
8. The completion and return of the proxy forms will not preclude a member from attending the meeting and voting in person.
9. In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
10. Please note that communications regarding the matters set out in this notice of meeting will not be accepted in electronic form, other than as specified in the accompanying proxy form.
11. A member that is a Company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in either one of two ways: either by appointment of a proxy (described in note 1 above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provision of the Companies Act 2006.

