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12 December 2018

**DIRECTA PLUS PLC**

("Directa Plus", the "Company", or the "Group")

**Placing to raise a minimum of  
£3.0 million via an accelerated bookbuild**

**Intention to launch Open Offer to raise up to approximately £1.0 million**

Directa Plus (AIM: DCTA), a producer and supplier of graphene-based products for use in consumer and industrial markets, is pleased to announce a proposed firm and conditional placing of a minimum of 6,000,000 new ordinary shares of 0.25 pence each (the "**Ordinary Shares**") in the share capital of the Company (the "**Placing Shares**") at a price of 50 pence per Placing Share to raise a minimum of £3.0 million (before expenses)) (the "**Placing**"). The net proceeds of the Placing will allow the Group, inter alia, to increase investment to drive growth in the Company's rapidly expanding markets.

The Placing is being conducted, subject to the satisfaction of certain conditions set out in the Appendix to this Announcement, through an accelerated bookbuild process (the "**Bookbuild**"), which will be launched immediately following this Announcement.

Cantor Fitzgerald Europe and Nplus1 Singer Advisory LLP ("**N+1 Singer**") are acting as joint brokers in relation to the Placing (the "**Joint Brokers**"). A placing agreement has been entered into today between the Company, Cantor Fitzgerald Europe and N+1 Singer in connection with the Placing (the "**Placing Agreement**").

The Company also announces that it intends to raise up to approximately a further £1.0 million by way of an open offer to Shareholders (the "**Open Offer**") to be launched shortly after the close of the Placing.

**Highlights**

- Proposed Placing of Placing Shares to raise a minimum of £3.0 million. Intention to launch an Open Offer to raise up to approximately £1.0 million.
- The price per Placing Share will be 50 pence per Ordinary Share (the "**Issue Price**"). It is intended that the Open Offer will also be made at the Issue Price.
- The Issue Price represents no discount to the price of 50 pence per Ordinary Share, being the closing mid-market price on the business day prior to this Announcement.
- The Board intend to use the proceeds of the Placing to:
  - exploit commercial opportunities across a developing pipeline;

- build sales and marketing reach;
  - develop the next generation of higher performing products;
  - improve industrial layout to drive industrial margin; and
  - maintain competitive advantage and barriers to entry.
- Any further monies received under the Open Offer will be used to further support the Company's strategy outlined above as well as for general working capital purposes.
  - The final number of Placing Shares will be agreed by Cantor Fitzgerald Europe, N+1 Singer and the Company at the close of the bookbuild, and the result will be announced as soon as practicable thereafter. The timing for the close of the Bookbuild and allocation of the Placing Shares shall be at the discretion of Cantor Fitzgerald Europe and N+1 Singer, in consultation with the Company. The Placing is not underwritten.
  - The Firm Placing will comprise the placing of up to 4,421,282 new Ordinary Shares at the Issue Price to raise up to approximately £2.2 million (before expenses), utilising the existing share authorities granted at the Company's Annual General Meeting held on 18 June 2018 and therefore will be issued on a non-pre-emptive basis.
  - The Conditional Placing will comprise the placing of the balance of the new Ordinary Shares at the Issue Price and is conditional, inter alia, on the passing by Shareholders of certain resolutions at a General Meeting of the Company, which is to be convened for 11.00 a.m. on 8 January 2019.
  - Cantor Fitzgerald Europe is the Nominated Adviser and Joint Broker in relation to the Placing. N+1 Singer is the Joint Broker in relation to the Placing.
  - The Appendix to this Announcement (which forms part of this Announcement) contains the detailed terms and conditions of the Placing.

## **Background to and reasons for the Fundraising**

### *Introduction*

Directa Plus is one of the largest producers and suppliers of graphene-based products for use in consumer and industrial markets. The Company's graphene manufacturing capability uses proprietary patented technology based on a plasma super expansion process. Starting from natural graphite, each step of Directa Plus' production process – expansion, exfoliation and drying – creates graphene-based materials and hybrid graphene materials ready for a variety of uses and available in various forms such as powder, liquid and paste.

This proprietary production process uses heat, rather than a chemical process, to process graphite into pristine graphene nanoplatelets, which enables Directa Plus to offer a sustainable, non-toxic product, without unwanted by-products.

Directa Plus' products are made of hybrid graphene materials and graphene nano-platelets. The products (marketed as G+) have multiple applications due to its physical, chemical, electronic and thermal properties. These G+ products can be categorised into various families, with different products being suitable for specific practical applications.

### *Opportunity*

The Company is principally focused on the two sectors in which the Board believes it has a strong commercial advantage through developed and launched products and a technological lead:

- Environmental, based on our Grafysorber® product; and

- Textiles, based on our G+ products.

In addition, the Board remains selective in building out the pipeline of opportunities in the Elastomers and Composite Material sectors.

The Board believes that the Company has made very good progress towards commercialising its products, particularly in the two key vertical markets that have the potential to generate significant revenues and value for our Shareholders.

The ability to demonstrate strong cash resources to fund the Company until it achieves positive cash flows will materially assist Directa Plus to attract and retain blue chip customers and partners. It will also allow Directa Plus to negotiate commercial agreements from a position of strength in order to capture more value for Shareholders from the product launches the Company's technology enables.

#### *Commercialisation Strategy*

Integrating Directa Plus' intellectual property into new products allows customers to gain significant competitive advantage. The Board is committed to sharing in the proceeds of customers' growth from new products, rather than merely supplying an essential ingredient. As such, the commercialisation model Directa Plus follows is based on capturing a proportion of these additional revenues and profits for our Shareholders. This could take the form of royalty payments, upfront enabling licence payments, joint-ventures to get closer to end-users or a combination of all three.

#### **Use of Proceeds**

Directa Plus has signed a number of agreements with customers and now needs additional working capital to fund capital expenditure to exploit the existing commercial opportunities, and fulfil existing customer orders under contracted agreements. At the same time, the Company wishes to invest further funds in its marketing and sales functions to maintain revenue growth and to promote the G+ brand which helps Directa Plus to add value to its customers' products and to grow overall margins.

Another key area of investment is the R&D in order to develop the next generation of higher performing products to enable new applications with the aim of sustaining the long term growth of the Company. A final phase of investment is also required in the production plant in Como, Italy, to optimise the production process to reduce unit costs and increase the manufacturing margin. In addition, the Company wishes to protect the competitive advantage investing in protection of existing intellectual property and development of new patents.

In addition, any further monies received under the Open Offer will be used to further support the Company's strategy as well as for general working capital purposes.

#### **Current Trading and Outlook**

2018 has seen accelerating commercial traction with agreements and collaborations signed and orders received for products to be delivered over the next twelve months. Recent demonstrable progress includes a €200,000 contract win to supply a graphene-based Grafysorber mobile production unit and a set of G+ oil adsorption barriers to GSP Group and a collaboration agreement with Ambienthesis S.p.A., a specialist in the reclamation, environmental remediation and treatment, recovery and disposal of hazardous and non-hazardous waste, to evaluate, develop and promote products, plants and services for the remediation of soil and groundwater and industrial waste waters.

Directa Plus is seeking to reposition itself in the key vertical markets targeted by the Company for its graphene based products in order to move up the value chain, selling more than just the core graphene, so as to capture additional value for Shareholders.

The Board believes that Directa Plus has a technological and commercial lead over its competitors, demonstrated by the number of products launched in its customers' markets and by the number of agreements already signed which will generate first revenues in the 2019 financial year.

## Further Details of the Placing and the Open Offer

Cantor Fitzgerald Europe and N+1 Singer, as agents for the Company, have agreed to use reasonable endeavours to place a minimum of 6,000,000 Placing Shares at the Issue Price with certain existing and new institutional investors, raising gross proceeds of a minimum of £3.0 million.

The minimum number of Placing Shares being offered in the Placing represents approximately 13.6 per cent. of the Company's issued share capital on 11 December 2018 (being the last business day prior to this Announcement).

In connection with the Placing, the Company has entered into the Placing Agreement with Cantor Fitzgerald Europe and N+1 Singer which contains customary warranties given by the Company to Cantor Fitzgerald Europe and N+1 Singer with respect to the Company's business and customary indemnities given by the Company to Cantor Fitzgerald Europe and N+1 Singer in respect of liabilities arising out of or in connection with the Placing.

The Firm Placing comprises the placing of up to 4,421,282 new Ordinary Shares at the Issue Price to raise up to approximately £2.2 million (before expenses), utilising the existing share authorities granted at the Company's Annual General Meeting held on 18 June 2018 and therefore will be issued on a non-pre-emptive basis. Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM ("**First Admission**"). It is expected that First Admission will become effective and that dealings in the Firm Placing Shares, will commence at 8.00 a.m. on 17 December 2018.

The Conditional Placing comprises the balance of the new Ordinary Shares at the Issue Price and is conditional, inter alia, on the passing by Shareholders of certain resolutions at a General Meeting of the Company, which is to be convened for 11.00a.m. on 8 January 2019.

In addition, in order to provide Shareholders who have not taken part in the Firm Placing or Conditional Placing with an opportunity to participate in the proposed issue of new Ordinary Shares, the Company intends to provide all qualifying shareholders with an opportunity to subscribe for new Ordinary Shares by way of the Open Offer.

Application will also be made to the London Stock Exchange for the Conditional Placing Shares to be admitted to trading on AIM ("**Second Admission**"). On the assumption that, amongst other things, Resolutions 1 and 2 are passed by Shareholders at the General Meeting, it is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares will commence at 8.00 a.m. on 9 January 2019 (being the business day following the General Meeting).

If following the issue of the Firm Placing Shares, the conditions relating to the issue of the Conditional Placing Shares are not satisfied, the Conditional Placing Shares will not be issued and the Company will not receive the related placing monies. In this situation, the Company would not have sufficient resources to fully implement the strategy outlined above.

## Circular and Notice of General Meeting

The Company expects to publish a circular (the "**Circular**") in due course in connection with the Conditional Placing and Open Offer, which will contain a notice convening the General Meeting in order to approve certain matters necessary to implement the Conditional Placing and the Open Offer. Full details of the Open Offer, to be undertaken at the Issue Price, will also be included in the Circular.

A copy of the Circular will be made available on the Company's website <http://www.directa-plus.com>.

The General Meeting is expected to be convened for 11.00 a.m. on 8 January 2019 and will take place at the Company's offices at 3<sup>rd</sup> floor, 11-12 St. James's Square, London, SW1Y 4LB. The actions that Shareholders should take to vote on the Resolutions and/or apply for Open Offer Shares will be set out in the Circular to be posted in due course, along with the recommendations of the Directors.

For further information please visit <http://www.directa-plus.com/> or contact:

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Giulio Cesareo, CEO  
Marco Ferrari, CFO

**Cantor Fitzgerald Europe (Nominated Adviser and Joint Broker)** +44 20 7894 7000  
Rick Thompson, Philip Davies, Will Goode (Corporate Finance)  
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Mark Taylor, Lauren Kettle, Mia Gardner

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Simon Hudson, Sophie Praill, Edward Lee

### **About Directa Plus**

Directa Plus is principally focused on the two sectors in which it has a strong commercial advantage through developed and launched products and a technological lead: environmental (based on our Grafysorber® product) and textiles (based on our G+ products). In addition, the Company will continue to pursue opportunities in elastomers and composites (including tyres and asphalt), also using G+ products. All Directa Plus products are hypoallergenic, non-toxic and sustainably produced.

*The person responsible for arranging the release of this Announcement on behalf of Directa Plus is Marco Ferrari, Chief Financial Officer.*

*Cantor Fitzgerald Europe and Nplus1 Singer Advisory LLP which are regulated in the UK by the Financial Conduct Authority are acting for the Company and no one else in connection with the Placing, and will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to their respective clients nor for providing advice in relation to the contents of this Announcement or any matter, transaction or arrangement referred to in it.*

*This Announcement includes statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("forward-looking statements") which reflect various assumptions concerning anticipated results taken from the Company's current business plan or from public sources which may or may not prove to be correct. These forward looking statements can be identified by the use of forward looking terminology, including the terms "anticipates", "target", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "should" or "will", or, in each case, their negative or other variations or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. Such forward-looking statements reflect current expectations based on the current business plan and various other assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. As a result, prospective investors should not rely on such forward-looking statements due to the inherent uncertainty therein. No representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this Announcement. Forward-looking statements speak only as of the date of such statements and, except as required by the FCA, the London Stock Exchange or applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.*

## **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Brokers have only procured investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

## Definitions

The following definitions apply throughout this Announcement, unless the context requires otherwise.

<b>“AIM”</b>	a market operated by London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies as published by London Stock Exchange from time to time;
<b>“Announcement”</b>	this announcement and the Appendix;
<b>“Appendix”</b>	the appendix to this Announcement;
<b>“Application Form”</b>	the personalised application form expected to be posted in due course for use shareholders in connection with the Open Offer;
<b>“Board” or “Directors”</b>	the board of directors of the Company;
<b>“Circular”</b>	the circular expected to be published in due course in connection with the Conditional Placing and Open Offer and containing notice of the General Meeting;
<b>“Company” or “Directa Plus”</b>	Directa Plus plc, a company incorporated in England & Wales and with registered number 04679109;
<b>“Conditional Placing”</b>	the proposed conditional placing by Cantor Fitzgerald and N+1 Singer of the Conditional Placing Shares at the Issue Price;
<b>“Conditional Placing Shares”</b>	the new Ordinary Shares to be conditionally placed by Cantor Fitzgerald and N+1 Singer pursuant to the Conditional Placing;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001(SI 2001/3755) (as amended);
<b>“Existing Ordinary Shares”</b>	the Ordinary Shares in issue at the date of this Announcement;
<b>“FCA”</b>	the Financial Conduct Authority;
<b>“Firm Placing”</b>	the placing by Cantor Fitzgerald and N+1 Singer of the Firm Placing Shares at the Issue Price;
<b>“Firm Placing Shares”</b>	up to 4,421,282 new Ordinary Shares which are to be placed by Cantor Fitzgerald and N+1 Singer pursuant to the Firm Placing;

<b>“First Admission”</b>	admission of the Placing Shares to trading on AIM, in accordance with Rule 6 of the AIM Rules;
<b>“General Meeting”</b>	the general meeting of the Company expected to be convened for 11.00 a.m. on 8 January 2019 and any adjournment thereof, notice of which is to be set out in the Circular;
<b>“Group”</b>	the Company and its subsidiary undertakings;
<b>“Issue Price”</b>	50 pence per new Ordinary Share;
<b>“Joint Brokers”</b>	together Cantor Fitzgerald Europe and Nplus1 Singer Advisory LLP;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“MAR”</b>	Market Abuse Regulation (596/2014);
<b>“Notice of General Meeting”</b>	the notice of the General Meeting to be set out at the end of the Circular;
<b>“Ordinary Shares”</b>	ordinary shares of 0.25 pence each in the capital of the Company;
<b>“Placees”</b>	the subscribers for Firm Placing Shares and Conditional Placing Shares pursuant to the Firm Placing and Conditional Placing respectively;
<b>“Placing”</b>	the conditional placing by the Joint Brokers on behalf of the Company of the Placing Shares pursuant to the Placing Agreement, comprising the Firm Placing and the Conditional Placing;
<b>“Placing Agreement”</b>	the agreement dated 12 December 2018 between (1) the Company (2) Cantor Fitzgerald Europe and (3) N+1 Singer relating to the Firm Placing and Conditional Placing;
<b>“Placing Shares”</b>	together the Firm Placing Shares and Conditional Placing Shares;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting, details of which are to be set out in the notice of General Meeting;
<b>“Shareholders”</b>	holders of Ordinary Shares; and
<b>“Second Admission”</b>	admission of the Conditional Placing Shares to trading on AIM, in accordance with Rule 6 of the AIM Rules.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Fundraising	12 December 2018
Publication of Circular and Application Form	13 December 2018
<b>First Admission and commencement of dealings in Firm Placing Shares commence</b>	<b>8.00 a.m. on 17 December 2018</b>
Latest time and date for receipt of Forms of Proxy for use at the General Meeting	11.00 a.m. on 4 January 2019
General Meeting	11.00 a.m. on 8 January 2019
<b>Second Admission and commencement of dealings in Conditional Placing Shares commence</b>	<b>8.00 a.m. on 9 January 2019</b>
CREST members' accounts credited in respect of Placing Shares in uncertificated form	as soon as possible after 8.00 a.m. on 9 January 2019
Dispatch of definitive share certificates for the Placing Shares in certificated form	23 January 2019

## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

#### IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX AND THE INFORMATION CONTAINED HEREIN (TOGETHER THE "ANNOUNCEMENT") IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC, AS AMENDED FROM TIME TO TIME, AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "**PROSPECTUS DIRECTIVE**") ("**QUALIFIED INVESTORS**"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES (OR DEPOSITARY INTERESTS REPRESENTING THEM) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE DISTRIBUTION OF THIS

ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

Persons who are invited to and who choose to participate in the Placing by making an oral or written offer to acquire Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the "**Placees**"), will be deemed: (i) to have read and understood this Announcement, including this Appendix, in its entirety; and (ii) to be participating and making an offer for Placing Shares on the terms and conditions and to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix.

In particular each such Placee represents, warrants and acknowledges that:

- a) it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and
- b) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale to Qualified Investors in a member state of the EEA which has implemented the Prospectus Directive, or in circumstances in which the prior consent of the Joint Brokers has been given to each such proposed offer or resale.

#### **Details of the Placing Agreement, the Placing Shares and the Bookbuild**

The Joint Brokers are acting as joint brokers in connection with the Placing and have entered into the Placing Agreement with the Company under which they have agreed to use their respective reasonable endeavours to procure Placees to take up the Placing Shares, on the terms and subject to the conditions set out therein.

The Joint Brokers will today commence the bookbuilding process to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Joint Brokers shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their absolute discretion following consultation with the Company, determine.

The Placing Shares will, as from the date when they are issued, be fully paid up, rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after either First or Second Admission respectively and otherwise rank pari passu in all respects with, and be identical to, the existing Ordinary Shares then in issue.

#### **Application for listing and admission to trading**

Application has been made to the London Stock Exchange for the Firm Placing Shares to be admitted to trading on AIM ("**First Admission**"). It is expected that First Admission will become effective and that dealings in the Firm Placing Shares, will commence at 8.00 a.m. on 17 December 2018.

Application will also be made to the London Stock Exchange for the Conditional Placing Shares to be admitted to trading on AIM ("**Second Admission**"). On the assumption that, amongst other things, Resolutions 1 and 2 are passed by Shareholders at the General Meeting, it is expected that Second Admission will become effective and that dealings in the Conditional Placing Shares will commence at 8.00 a.m. on 9 January 2019 (being the business day following the General Meeting).

## **Participation in, and principal terms of, the Placing**

1. The Joint Brokers are arranging the Placing severally, and not jointly, nor jointly and severally, as Joint Brokers and agents of the Company.
2. Participation will only be available to persons who may lawfully be, and are, invited to participate by any of the Joint Brokers. Each of the Joint Bookrunners and their respective affiliates are entitled to enter bids as principal in the Bookbuild.
3. The Issue Price and the final number of Placing Shares will be agreed between the Joint Brokers and the Company following completion of the Bookbuild. The Issue Price and the final number of Placing Shares will be announced on a Regulatory Information Service following the completion of the Bookbuild.
4. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone or in writing to their usual sales contact at one of the Joint Brokers. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Issue Price ultimately established by the Company and the Joint Brokers or at prices up to a price limit specified in its bid. Bids may be scaled down on the basis referred to in paragraph 7 below.
5. The Bookbuild is expected to close no later than 4.30 p.m. (London time) on 12 December 2018, but may be closed earlier or later, at the discretion of the Joint Brokers. The Joint Brokers may, in agreement with the Company, accept bids that are received after the Bookbuild has closed.
6. Each Placee's allocation will be confirmed to Placees orally by the relevant Joint Bookrunner following the close of the Bookbuild, and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The relevant Joint Broker's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of such Joint Bookrunner and the Company, pursuant to which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay or procure payment of the relevant Issue Price on the terms and conditions set out in this Appendix and in accordance with the Company's corporate documents.
7. Subject to paragraphs 3 and 4 above, the Joint Brokers will, in effecting the Placing, agree with the Company the identity of the Placees and the basis of allocation of the Placing Shares.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with the relevant Joint Broker's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the relevant Joint Bookrunner, to pay or procure to it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to acquire. Each Placee's obligations will be owed to the relevant Joint Broker.
9. Except as required by law or regulation, no press release or other announcement will be made by the Joint Brokers or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing

not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

12. By participating in the Bookbuild, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee after confirmation (oral or otherwise) by a Joint Bookrunner.
13. To the fullest extent permissible by law, neither the Joint Brokers, the Company nor any of their respective affiliates or persons acting on behalf of any of them shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither of the Joint Brokers, nor the Company, nor any of their respective affiliates or persons acting on behalf of any of them shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Joint Brokers' conduct of the Bookbuild or of such alternative method of effecting the Placing as the Joint Brokers and the Company may agree. Nothing in this paragraph or otherwise this Placing excludes liability of any person for fraud or fraudulent misrepresentation made by that person.

### **Conditions of the Placing**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The Joint Brokers' obligations under the Placing Agreement in relation to First Admission are conditional on certain conditions, including inter alia:

- a) the Company having complied with certain specified obligations under the Placing Agreement (to the extent such obligations fall to be performed prior to First Admission) including the Company allotting, conditional on First Admission, the Firm Placing Shares subject to the articles of association of the Company;
- b) the delivery to the Joint Brokers of certain documentary conditions precedent; and
- c) First Admission of the Firm Placing Shares occurring at or before 8:00 a.m. (London time) on 17 December 2018 (or such later time and/or date, not being later than 8:00 a.m. (London time) on 31 December 2018, as the Company and the Joint Brokers may otherwise agree);

If: (i) any of the conditions contained in the Placing Agreement in relation to First Admission, including those described above, are not fulfilled or (where applicable) waived or extended in writing by the Joint Brokers by the relevant time or date specified (or such later time or date as the Company and the Joint Brokers may agree); or (ii) prior to First Admission the Placing Agreement is terminated in accordance with its terms including, inter alia in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Joint Brokers' obligations under the Placing Agreement in relation to Second Admission are conditional on certain conditions, including inter alia:

- a) First Admission having occurred;
- b) the Circular having been posted to shareholders and the Application Form having been posted to qualifying shareholders whose shares are not held in CREST by no later than 13 December 2018 (by first class pre-paid mail) in accordance with the articles of association of the Company;
- c) the Company having complied in all material respects with its obligations under the Placing Agreement (to the extent such obligations fall to be performed prior to Second Admission) including the Company allotting, conditional on the passing of Resolutions 1 and 2 and Second Admission, the Firm Placing Shares subject to the article of association of the Company;

- d) Resolutions 1 and 2 having been duly passed without amendment by the required majority at the General Meeting; and
- e) Second Admission of the Conditional Placing Shares occurring at or before 8:00 a.m. (London time) on 9 January 2019 (or such later time and/or date, not being later than 8:00 a.m. (London time) on 23 January 2019, as the Company and the Joint Brokers may otherwise agree).

If: (i) any of the conditions contained in the Placing Agreement in relation to Second Admission, including those described above, are not fulfilled or (where applicable) waived or extended in writing by the Joint Brokers by the relevant time or date specified (or such later time or date as the Company and the Joint Brokers may agree); or (ii) after First Admission but prior to Second Admission the Conditional Placing is terminated in accordance with the terms of the Placing Agreement including, inter alia in the circumstances specified below, the Conditional Placing will lapse and the Placees' rights and obligations hereunder in relation to the Conditional Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Joint Brokers may, at their discretion, extend the time for satisfaction of, or waive compliance by the Company with, the whole or any part of certain of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

None of the Joint Brokers shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Brokers.

#### **Right to terminate under the Placing Agreement**

Cantor Fitzgerald Europe and N+1 Singer are entitled, at any time before First Admission and at any time before Second Admission to terminate the Conditional Placing, in each case to terminate the Placing Agreement in accordance with its terms in certain limited circumstances including, inter alia:

- a) the Company fails, in any material respect, to comply with any of its obligations under the Placing Agreement; or
- b) it comes to the notice of either of the Banks that any statement contained in the certain Placing documents was untrue, incorrect or misleading at the date of the Placing documents in any respect which either of the Joint Brokers considers to be material in the context of the Placing and/or First Admission and/or Second Admission; or
- c) it comes to the notice of either of the Joint Brokers that any of the warranties given by the Company was not at the date of the Placing Agreement true and accurate in any respect which either of the Joint Brokers considers to be material in the context of the Placing and/or First Admission and/or Second Admission by reference to the facts subsisting at the time.

Either of Cantor Fitzgerald Europe and N+1 Singer are also entitled to terminate the Placing Agreement, in accordance with its terms, at any time prior to First Admission or terminate the Conditional Placing at any time after First Admission but prior to Second Admission if, inter alia, there happens, develops or comes into effect:

- (a) any occurrence of any kind which (by itself or together with any other such occurrence) in either of the Joint Brokers' reasonable opinion is likely to materially and adversely affect the market's position or prospects of the Group taken as a whole; or

- (b) any other crisis of international or national effect or any change in any currency exchange rates or controls or in any financial, political, economic or market conditions or in market sentiment which, in any such case, in either of the Joint Brokers' opinion (acting in good faith) is likely to adversely affect the Placing in a material way.

By participating in the Placing, Placees agree that the exercise by Cantor Fitzgerald Europe and N+1 Singer of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Cantor Fitzgerald Europe and N+1 Singer (acting in good faith) and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise.

### **No Prospectus**

No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing.

Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) released by the Company today and subject to the further terms set forth in the contract note to be provided to individual Placees. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and all other publicly available information previously published by the Company by notification to a Regulatory Information Service is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company or either Joint Brokers or any other person and none of the Company or the Joint Brokers nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraud or fraudulent misrepresentation by that person.

### **EIS / VCT**

The Company received advance assurance on 1 April 2016 from HM Revenue & Customs ("HMRC") that it is a qualifying company for the purposes of the Enterprise Investment Scheme ("EIS Advance Assurance"). On 13 July 2018, the Company applied to HMRC to receive advance assurance that it continues to be a qualifying company for EIS Advance Assurance and is a qualifying company for the purposes of the Venture Capital Trust rules ("VCT Advance Assurance").

The Company received a letter from HMRC dated 8 October 2018, authorising the Company to issue compliance certificates under Section 204(1) Income Tax Act 2007 in respect of the ordinary shares to be issued, following receipt of a form EIS1 satisfactorily completed. HMRC also confirmed that as a result of the consultation document on advance assurance HMRC's policy has changed and as of 2 January 2018, HMRC can no longer consider VCT advance assurance applications where the details of the potential qualifying holding are not given.

The assurance received does not guarantee the availability of any form of relief under the Enterprise Investment Scheme to any particular subscriber or that the Company will constitute a qualifying holding for VCT purposes.

Investors considering taking advantage of EIS relief or making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances. Any Shareholder who is in any doubt as to his taxation position under the EIS and VCT legislation, or who is subject to tax in a jurisdiction other than the UK, should consult an appropriate professional adviser.

## **Registration and Settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00BSM98843) following First Admission or Second Admission (as applicable) will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**"). Subject to certain exceptions, the Joint Brokers and the Company reserve the right to require settlement for, and delivery of, the Placing Shares (or any part thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with Cantor Fitzgerald Europe stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to the Joint Broker and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Cantor Fitzgerald Europe.

It is expected that settlement for the Firm Placing Shares will be on 17 December 2018 in accordance with the instructions set out in the trade confirmation. It is expected that settlement for the Conditional Placing Shares will be on 9 January 2019 in accordance with the instructions set out in the trade confirmation.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Brokers may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Joint Brokers' account and benefit, an amount equal to the aggregate amount owed by the Placee. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any penalties) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax.

## **Representations, Warranties and Further Terms**

By participating in the Placing each Placee (and any person acting on such Placee's behalf) irrevocably:

1. represents and warrants that it has read and understood the Announcement, including this Appendix, in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. acknowledges that no offering document or prospectus has been or will be prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;

3. acknowledges that the Placing does not constitute a recommendation or financial product advice and neither Joint Broker has had regard to its particular objectives, financial situation or needs;
4. acknowledges that none of the Joint Brokers, the Company, any of their respective affiliates, agents, directors, officers or employees has provided, nor will provide, it with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of the Joint Brokers, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
5. acknowledges that the Ordinary Shares are listed on AIM and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices under the AIM Rules, which includes a description of the Company's business and the Company's financial information, including balance sheets and income statements, and that it is able to obtain or access to such information, or comparable information concerning other publicly traded companies, in each case without undue difficulty;
6. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither of the Joint Brokers, nor their respective affiliates or any person acting on behalf of any of them, has or shall have any liability for any information, representation or statement contained in, or omission from, this Announcement or any information previously published by or on behalf of the Company, pursuant to applicable laws, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this Announcement and any information previously published by the Company by notification to a Regulatory Information Service, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by any of the Joint Brokers or the Company nor any of their respective affiliates, agents, directors, officers or employees and none of the Joint Brokers or the Company or any such affiliate, agent, director, officer or employee will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;
7. acknowledges and agrees that it may not rely, and has not relied, on any investigation that either Joint Broker, any of their affiliates or any person acting on their behalf, may have conducted with respect to the Placing Shares or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing Shares or the accuracy, completeness or adequacy of the information from the London Stock Exchange or any other information; each Placee further acknowledges that it has conducted its own investigation of the Company and the Placing Shares and has received all information it believes necessary or appropriate in connection with its investment in the Placing Shares;
8. acknowledges that it has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Placing Shares;
9. acknowledges that none of the Joint Brokers, their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any information made publicly available by or in relation to the Company or any representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;

10. represents and warrants that (i) the Placing Shares have not been, and will not be, registered under the Securities Act; (ii) it is and, at the time the Placing Shares are acquired, will be either (a) outside the United States and acquiring the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S; or (b) a QIB, which is acquiring the Placing Shares for its own account or for the account of one or more QIBs, each of which is acquiring beneficial interests in the Placing Shares for its own account; (iii) if acquiring the Placing Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements, undertakings and acknowledgements herein on behalf of each such person; (iv) it is not acquiring the Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or as a result of any "general solicitation" or "general advertising" within the meaning of Rule 502(c) of Regulation D of the Securities Act; and (v) it will not publish, distribute or transmit this Announcement or any other document or information related to the Placing, by any means or media, directly or indirectly, in whole or in part, in or into the United States;
11. acknowledges that in making any decision to acquire Placing Shares it (i) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Placing Shares, (ii) will not look to either Joint Broker for all or part of any loss it may suffer as a result of any such subscription or purchase, (iii) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares, (iv) is able to sustain a complete loss of an investment in the Placing Shares and (v) has no need for liquidity with respect to its investment in the Placing Shares;
12. undertakes, unless otherwise specifically agreed with the Joint Brokers, that it is not and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of Australia, Canada, Japan or South Africa and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into any of those jurisdictions;
13. acknowledges that the Placing Shares have not been and will not be registered, and that a prospectus will not be cleared in respect of any of the Placing Shares, under the securities laws or legislation of the United States or any state or jurisdiction thereof, Australia, Canada, Japan, or South Africa and, subject to certain exceptions, may not be offered, sold, or delivered or transferred, directly or indirectly, in or into those jurisdictions;
14. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;
15. represents and warrants that it has complied with its obligations under the Criminal Justice Act 1993, MAR and in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 and any related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "Regulations") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
16. where a Placee is acting as agent for discretionary managed clients, the Joint Brokers and the Company acknowledge that:

- (a) the Placee is acting at all times as agent for and on behalf of certain discretionary managed clients of whom it has discretionary management authority (the "Funds");
- (b) the Placee shall have no liability as principal to acquire and pay for the Placing Shares allocated to it as agent for and on behalf of the Funds or in respect of each Fund's obligations under the Placing who will hold the Placing Shares through a custodian; and
- (c) all representations, warranties and undertakings are given by the Placee as agent and not as principal.

For the avoidance of doubt, nothing in these terms and conditions is intended to create joint and several liability between the Funds. The Joint Brokers and the Company acknowledge and agree that any liabilities of a Fund incurred hereunder shall be limited to the property of that Fund and under no circumstances shall there be recourse to the assets of any other fund within the same umbrella as the Fund or any other Fund in respect of those liabilities;

- 17. represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person it is duly authorised to do so and has full power to make the acknowledgments, warranties, representations, undertakings, and agreements herein on behalf of each such person;
- 18. if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, represents, warrants and undertakes that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of the Joint Brokers has been given to the offer or resale;
- 19. represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA;
- 20. represents, warrants and undertakes that it has not offered or sold and will not, prior to Admission, offer or sell any Placing Shares to persons in the EEA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public (within the meaning of the Prospectus Directive) in any member state of the EEA;
- 21. represents, warrants and undertakes that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
- 22. represents, warrants and undertakes that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
- 23. represents and warrants, if in a member state of an Economic Area, unless otherwise specifically agreed with the Joint Brokers in writing, that it is a "Qualified Investor";
- 24. represents and warrants, if in the United Kingdom, that it is a person (i) having professional experience in matters relating to investments who falls within the definition of "investment

professionals" in Article 19(5) of the Order or (ii) who falls within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order, or (iii) to whom this Announcement may otherwise lawfully be communicated;

25. acknowledges and agrees that no action has been or will be taken by either the Company or the Joint Brokers or any person acting on behalf of the Company or the Joint Brokers that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
26. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) and will honour such obligations and that, to the best of its knowledge and belief it has not taken any action or omitted to take any action which will or may result in the Joint Brokers, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
27. undertakes that it (and any person acting on its behalf) will make or procure payment in respect of the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other acquirers or sold as the Joint Brokers may in their sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale fall short of the product of the relevant Issue Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any penalties) which may arise upon such placing or sale of such Placee's Placing Shares;
28. acknowledges that neither of the Joint Brokers, nor any of their respective affiliates, agents, directors, officers or employees is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that its participation in the Placing is on the basis that it is not and will not be a client of either Joint Broker in connection with its participation in the Placing and that neither Joint Broker has any duty nor responsibility to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
29. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither of the Joint Brokers nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement;
30. acknowledges that these terms and conditions and any agreements entered into by it pursuant to the terms and conditions set out in this Appendix, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make or procure payment for the Placing Shares may be taken by either the

Company or either Joint Broker in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

31. except as set out in clause 32 below, represents and warrants that it has neither received nor relied on any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) concerning the Company prior to or in connection with accepting the invitation to participate in the Placing and is not purchasing Placing Shares on the basis of material non-public information;
32. if it has received any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities, it confirms that it has received such information within the market soundings regime provided for in article 11 of MAR and associated delegated regulations and it has not: (i) dealt (or attempted to deal) in the securities of the Company; (ii) encouraged, recommended or induced another person to deal in the securities of the Company; or (iii) unlawfully disclosed inside information to any person, prior to the information being made publicly available;
33. if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with applicable laws and regulations;
34. agrees that the Company, the Joint Brokers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements, and undertakings which are given to the Joint Brokers on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and the Joint Brokers to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
35. none of the Company or the Joint Brokers owes any fiduciary or other duties to any Placee in respect of any acknowledgments, confirmations, undertakings, representations, warranties or indemnities in the Placing Agreement; and
36. its commitment to take up Placing Shares on the terms set out in this Announcement (including this Appendix) will continue notwithstanding any amendment that may or in the future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company or the Joint Brokers' conduct of the Placing.

The foregoing representations, warranties, agreements, undertakings, acknowledgements and confirmations are given for the benefit of the Company as well as each of the Joint Brokers and are irrevocable. Each Placee, and any person acting on behalf of the Placee, acknowledges that neither the Company nor either of the Joint Brokers owes any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

The agreement to allot and issue Placing Shares to Placees (and/or to persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer the Placing Shares into a clearance service.

The Company and the Joint Brokers are not liable to bear any transfer taxes that arise on a sale of Placing Shares subsequent to their acquisition by Placees or for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises and notify the Joint Brokers accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that any Joint Broker or any of its affiliates may, at its absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

When a Placee or person acting on behalf of the Placee is dealing with a Joint Broker, any money held in an account with such Joint Broker on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules.

All times and dates in this Announcement may be subject to amendment. The Joint Brokers shall notify the Placees and any person acting on behalf of the Placees of any changes.