

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser in your jurisdiction.

If you have sold or transferred all of your Existing Ordinary Shares prior to the Ex-entitlement Date, please immediately send this document to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred part of your holding prior to the Ex-entitlement Date, you should retain this document and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read as a whole. Your attention is drawn in particular to the letter from the Chairman of the Company which is set out in Part I of this document and, in particular, to paragraph 11 which contains the unanimous recommendation from the Directors that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this document nor any investment made pursuant to it will, under any circumstances, create any implication that there has been any change in the affairs of the Company since the date of this document or that the information in it is correct at any time subsequent to its date.

The total consideration under the Open Offer will be less than €8 million (or an equivalent amount in sterling) in aggregate. Neither the Firm Placing nor the Conditional Placing constitutes an offer to the public. Therefore, in accordance with Section 85 and Schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom, pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules for Companies.

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 UK 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. The AIM Rules are less demanding than the listing rules of the UK Listing Authority. No application is being made for admission of the Enlarged Share Capital to the Official List of the UK Listing Authority nor any other recognised investment exchange.

This document comprises a circular and notice of general meeting of the Company. The Existing Ordinary Shares are admitted to trading on AIM and application will be made in accordance with the AIM Rules for the New Ordinary Shares to be admitted to trading on AIM. It is anticipated that First Admission will become effective and dealings in the Firm Placing Shares will commence on AIM at 8.00 a.m. on 17 December 2018. Subject to certain conditions being satisfied, including the passing of Resolutions 1 and 2 at the General Meeting, it is anticipated that Second Admission will become effective and that dealings in the Conditional Placing Shares and Open Offer Shares will commence on AIM at 8.00 a.m. on 9 January 2019.

DIRECTA PLUS PLC

(incorporated in England and Wales with registered number 04679109)

Firm Placing of 4,256,000 new Ordinary Shares
Conditional Placing of 2,044,000 new Ordinary Shares
Open Offer of up to 2,009,673 new Ordinary Shares
in each case at 50 pence per share
and Notice of General Meeting

Nominated Adviser and Joint Broker
Cantor Fitzgerald Europe

Joint Broker
Nplus1 Singer Advisory LLP

The Company and the Directors, whose names are set out on page 5 of this document, accept responsibility, both collectively and individually, for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (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.

Cantor Fitzgerald Europe (**Cantor Fitzgerald**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and joint broker exclusively for the Company and no-one else in connection with the proposed Fundraising and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald, or for providing advice in relation to the Fundraising. Cantor Fitzgerald will not regard any other person as their customer nor be responsible to any other person for providing the protections afforded to customers of Cantor Fitzgerald nor for providing advice in relation to the transactions detailed in this document or in relation to such proposals generally. Cantor Fitzgerald is not making any representation or warranty, express or implied, as to the content of this document. No liability is accepted by Cantor Fitzgerald for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document for which the

Directors and the Company are responsible. Cantor Fitzgerald has not authorised the contents or any part of this document. Cantor Fitzgerald's responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the 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.

Nplus1 Singer Advisory LLP (**N+1 Singer**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint broker exclusively for the Company and no-one else in connection with the proposed Fundraising and will not be responsible to anyone other than the Company for providing the protections afforded to clients of N+1 Singer, or for providing advice in relation to the Fundraising. N+1 Singer will not regard any other person as their customer nor be responsible to any other person for providing the protections afforded to customers of N+1 Singer nor for providing advice in relation to the transactions detailed in this document or in relation to such proposals generally. N+1 Singer is not making any representation or warranty, express or implied, as to the content of this document. No liability is accepted by N+1 Singer for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document for which the Directors and the Company are responsible. N+1 Singer has not authorised the contents or any part of this document.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, Ordinary Shares or New Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. In particular, this document is not for distribution in or into the United States, Australia, New Zealand, Canada, Japan, the Republic of Ireland or the Republic of South Africa and is not for distribution directly or indirectly to any US person. Any person into whose possession this document comes 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.

The Ordinary Shares and New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (Securities Act), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, New Zealand, Canada, Japan, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the New Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, New Zealand, Canada, Japan, the Republic of Ireland or the Republic of South Africa or to or for the account of any national, resident or citizen of the United States or any person resident in Australia, New Zealand, Canada, Japan, the Republic of Ireland or the Republic of South Africa. Acquirers of New Ordinary Shares may not offer to sell, pledge or otherwise transfer such shares in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. The Company does not currently plan to register the New Ordinary Shares under the Securities Act.

The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes 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.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

This document is only addressed to and directed at persons resident in Italy and is provided on a confidential basis exclusively to "qualified investors" within the meaning of the Consob Regulation 16190/2007 ("Qualified Investors") and may not be reproduced, redistributed, passed on, copied, disclosed or published. In Italy, neither the Ordinary Shares nor this document: (i) have been registered with or authorised by the Commissione Nazionale per le Società e la Borsa pursuant to applicable Italian securities legislation; (ii) will be listed on the Borsa Italiana or on any other exchange or regulated trading facility in Italy; or (iii) may be publicly offered, sold, advertised, directly or indirectly, in, into or from Italy.

Neither this document nor any other offering or marketing material relating to the Ordinary Shares constitutes an offer of securities in Italy pursuant to art. 1, paragraph 1, letter (t) of the Legislative Decree n. 58 of 24 February 1998, as amended. This document must not be acted on or relied on in Italy by persons who are not Qualified Investors. It is a condition to you receiving and retaining this document that you warrant, represent and agree to the Company, its directors and the Nomad that you are a Qualified Investor.

The Ordinary Shares may not be publicly offered, sold, advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards or issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations (CO) or art. 5 of the Swiss Federal Act on Collective Investment Schemes (CISA) or the disclosure standards for listing prospectuses under art. 27 ff. of the Listing Rules of the SIX Swiss Exchange (SIX Listing Rules) or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Therefore, this document as well as any other offering or marketing material relating to the Ordinary Shares does not constitute a prospectus within the meaning of (i) art. 652a or 1156 CO, (ii) art. 5 CISA, or (iii) the SIX Listing Rules or the rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the Ordinary Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland. The Ordinary Shares are being offered in Switzerland by way of private placement only, to a limited number of selected qualified investors within the meaning of the Collective Investment Schemes Act (CISA) ("Qualified Investors"), without any public advertisement and only to investors who do not purchase the shares with the intention to distribute them to the public. This document, as well as any other offering or marketing material relating to the Ordinary Shares is personal and confidential and does not constitute an offer to any other person. This document, as well as any other offering or marketing material relating to the Shares may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without the Company's express consent. This document must not be acted on or relied on in Switzerland by persons who are not Qualified Investors. It is a condition to you receiving and retaining this document that you warrant, represent and agree to the Company, its directors and the Nomad that you are a Qualified Investor. This document, as well as any other offering or marketing material relating to the Ordinary Shares may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Ordinary Shares will not be supervised by the Swiss Financial Market Supervisory Authority FINMA, and the offer of the Ordinary Shares has not been and will not be authorized under CISA. The Ordinary Shares are not subject to the supervision by the FINMA and

investors in the Ordinary Shares will not benefit from protection or supervision by such authority. The Ordinary Shares do not constitute a participation in a collective investment scheme within the meaning of the CISA. Therefore, the investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Ordinary Shares.

A notice convening a general meeting of the Company to be held at the offices of Directa Plus plc, 3rd floor, 11-12 St. James's Square, London, SW1Y 4LB at 11.00 a.m. on 8 January 2019 is set out at the end of this document. Whether or not they intend to be present at the General Meeting, such Shareholders are requested to complete a Form of Proxy and return it as soon as possible and in any case so as to be received by Link Asset Services (electronically, by post or by hand) as soon as possible and, in any event, no later than 11.00 a.m. on 4 January 2019. The completion and return of a Form of Proxy will not prevent such Shareholders from attending the General Meeting and voting in person if they wish to do so.

Forward looking statements

Certain information contained in this document, including any information about the Company's strategy, plans or future financial or operating performance, constitutes "forward looking statements" and is based on current expectations, estimates and projections about the potential returns of the Company and the industry and markets in which the Company operates as well as the beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These forward-looking statements include all matters that are not historical fact. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors concerning, amongst other things, the Company's business, results of operations, financial condition, prospects, growth, strategies and the industry in which it operates. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the results of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment. The forward-looking statements contained in this document speak only as of the date of this document. The Company, the Directors, Cantor Fitzgerald and N+1 Singer expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or the AIM Rules. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of it are expressly qualified in their entirety by this paragraph.

Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Statements made in this document are based on the laws and practices in force in England and Wales on the date of this document and are subject to change. This document does not constitute an offer to sell, or the solicitation of an offer to acquire, ordinary shares in the capital of the Company in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in any jurisdiction in which such distribution is unlawful. This document should be read in its entirety before making any investment in ordinary shares in the capital of the Company.

An electronic version of this document may also be downloaded from the Company's website at <http://www.directa-plus.com>

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Sir Peter Middleton (<i>Non-executive Chairman</i>) Giulio Cesareo (<i>Chief Executive</i>) Marco Ferrari (<i>Chief Financial Officer</i>) David Gann (<i>Non-executive Director</i>) Neil Warner (<i>Non-executive Director</i>) Richard Hickinbotham (<i>Non-executive Director</i>)
Company Secretary	Marco Ferrari
Nominated Advisor and Joint Broker	Cantor Fitzgerald Europe One Churchill Place London E14 5RB
Joint Broker	Nplus1 Singer Advisory LLP 1 Bartholomew Lane London EC2N 2AX
Legal Advisors to the Company	Fox Williams LLP 10 Finsbury Square London EC2A 1AF
Legal Advisors to the Nominated Advisor	Brown Rudnick LLP 8 Clifford Street London W1S 2LQ
Registrar	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	6.00 p.m. on 10 December 2018
Announcement of the Firm Placing and Conditional Placing	12 December 2018
Announcement of the Open Offer	7.00 a.m. on 13 December 2018
Ex-entitlement date for the Open Offer	8.00 a.m. on 13 December 2018
Publication of Circular and Application Form	13 December 2018
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	as soon as possible after 8.00 a.m. on 14 December 2018
First Admission and commencement of dealings in Firm Placing Shares commence	8.00 a.m. on 17 December 2018
Latest recommended time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 28 December 2018
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in to CREST	3.00 p.m. on 31 December 2018
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 2 January 2019
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 4 January 2019
Latest time and date for receipt of Forms of Proxy and CREST voting instructions for use at the General Meeting	11.00 a.m. on 4 January 2019
Announce result of Open Offer	7 January 2019
General Meeting	11.00 a.m. on 8 January 2019
Second Admission and commencement of dealings in Conditional Placing Shares and Open Offer Shares commence	8.00 a.m. on 9 January 2019
CREST members' accounts credited in respect of Conditional Placing Shares and Open Offer Shares in uncertificated form	as soon as possible after 8.00 a.m. on 9 January 2019
Dispatch of definitive share certificates for the Conditional Placing Shares Open Offer Shares in certificated form	23 January 2019

If you have any queries on the procedures for application under the Open Offer, you should contact the Receiving Agent, Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

All times are London times and each of the times and dates are subject to change.

PLACING AND OPEN OFFER STATISTICS

Number of Existing Ordinary Shares	44,212,827
Issue Price	50 pence
Number of Firm Placing Shares	4,256,000
Number of Conditional Placing Shares	2,044,000
Basis of Open Offer	1 Open Offer Share for every 22 Existing Ordinary Shares
Number of Open Offer Shares	2,009,673
Percentage of Enlarged Share Capital represented by the Firm Placing Shares, Conditional Placing Shares and Open Offer Shares ^(1, 2)	15.8 per cent.
Gross proceeds of the Firm Placing	£2.13 million
Gross proceeds of the Conditional Placing	£1.02 million
Gross proceeds of the Open Offer ⁽¹⁾	£1.0 million
Gross proceeds of the Fundraising ⁽¹⁾	£4.15 million
Enlarged Share Capital following the Fundraising ^(1, 2)	52,522,500
Market Capitalisation of the Company immediately following the Second Admission at the Issue Price ^(1, 2)	£26.3 million
ISIN – Basic Entitlement	GB00BGRCCJ32
ISIN – Excess Open Offer Entitlements	GB00BGRCCCL53

Notes:

1. Assuming successful applications are received for all available Open Offer Shares.
2. The above assumes that there are no further issues of Ordinary Shares between the date of this document and Second Admission.

DEFINITIONS

“2018 AGM”	the Company’s annual general meeting which took place on 18 June 2018;
“Act”	the Companies Act 2006 (as amended);
“AIM”	a market operated by London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies as published by London Stock Exchange from time to time;
“Application Form”	the personalised application form that will be posted on 13 December 2018 for use by Qualifying Non-CREST Shareholders in connection with the Open Offer;
“Basic Entitlement”	the <i>pro rata</i> entitlement of Qualifying Shareholders to subscribe for 1 Open Offer Share for every 22 Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer;
“Board” or “Directors”	the board of directors of the Company, whose names are listed on page 5 of this document;
“Cantor Fitzgerald”	Cantor Fitzgerald Europe;
“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);
“City Code”	the City Code on Takeovers and Mergers;
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange;
“Company” or “Directa Plus”	Directa Plus plc;
“Conditional Placing”	the proposed conditional placing by Cantor Fitzgerald and N+1 Singer of the Conditional Placing Shares at the Issue Price;
“Conditional Placing Shares”	the 2,044,000 new Ordinary Shares which have been conditionally placed by Cantor Fitzgerald and N+1 Singer pursuant to the Conditional Placing;
“CREST”	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;
“CREST Manual”	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterparty Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001);
“CREST Member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual);
“CREST member account ID”	the identification code or number attached to a member account in CREST;

“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST regulations);
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001(SI 2001/3755) (as amended);
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST Sponsored Member”	a CREST member admitted to CREST as a sponsored member;
“EIS”	the Enterprise Investment Scheme as detailed in Part V of the Income Tax Act 2007;
“Enlarged Share Capital”	the number of Ordinary Shares in issue following completion of the Firm Placing, Conditional Placing and Open Offer;
“Euroclear”	Euroclear UK & Ireland Limited;
“Ex-entitlement Date”	13 December 2018, being the date on which the Existing Ordinary Shares were marked “ex” for entitlement under the Open Offer by the London Stock Exchange;
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement provided that they have agreed to take up their Open Offer Entitlement in full;
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, their entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full;
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document;
“FCA”	the Financial Conduct Authority;
“Firm Placing”	the placing by Cantor Fitzgerald and N+1 Singer of the Firm Placing Shares at the Issue Price;
“Firm Placing Shares”	the 4,256,000 new Ordinary Shares to be allotted pursuant to the Firm Placing;
“First Admission”	admission of the Firm Placing Shares to trading on AIM, becoming effective in accordance with Rule 6 of the AIM Rules;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraising”	the Firm Placing, Conditional Placing and the Open Offer;
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 8 January 2019 and any adjournment thereof, notice of which is set out at the end of this document;

“HMRC”	HM Revenue and Customs;
“ISIN”	International Securities Identification Number;
“Issue Price”	50 pence per New Ordinary Share;
“Link Asset Services”	a trading name of Link Market Services Limited;
“London Stock Exchange”	London Stock Exchange plc;
“N+1 Singer”	Nplus1 Singer Advisory LLP;
“New Ordinary Shares”	the 8,309,673 new Ordinary Shares to be issued by the Company pursuant to the Fundraising;
“Open Offer”	the conditional offer to Shareholders, constituting an invitation to apply for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
“Open Offer Entitlement”	an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for 1 Open Offer Share for every 22 Existing Ordinary Shares held by the Qualifying Shareholder at the Record Date;
“Open Offer Shares”	up to 2,009,673 new Ordinary Shares to be issued by the Company pursuant to the Open Offer subject, <i>inter alia</i> , to the passing of Resolutions 1 and 2;
“Ordinary Shares”	ordinary shares of 0.25 pence each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom;
“Placees”	the subscribers for Firm Placing Shares and Conditional Placing Shares pursuant to the Firm Placing and Conditional Placing respectively;
“Placing Agreement”	the conditional agreement dated 12 December 2018 between (1) the Company (2) Cantor Fitzgerald and (3) N+1 Singer relating to the Firm Placing, Conditional Placing and Open Offer;
“Placing Shares”	together the Firm Placing Shares and Conditional Placing Shares;
“Proposals”	the proposals set out in this document, being together the Firm Placing, Conditional Placing, Open Offer, First Admission, Second Admission and the Resolutions;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form via CREST;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
“Qualifying Shareholders”	Shareholders whose Ordinary Shares are on the register of members of the Company at the close of business on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident outside the United Kingdom;
“Receiving Agent”	Link Market Services Limited trading as Link Asset Services;
“Record Date”	6.00 p.m. on 10 December 2018;

“Registrar”	Link Asset Services, registrar to the Company;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the notice of General Meeting set out at the end of this document;
“Restricted Jurisdiction”	each and any of the United States, Australia, New Zealand, Canada, France, Japan, the Republic of Ireland and the Republic of South Africa and any other jurisdiction outside the UK where the extension or availability of the Open Offer may lead to a breach of any applicable law or regulations;
“Second Admission”	admission of the Conditional Placing Shares and Open Offer Shares to trading on AIM becoming effective, in accordance with Rule 6 of the AIM Rules;
“Shareholders”	holders of Ordinary Shares; and
“VCT”	venture capital trust.

PART I:
LETTER FROM THE CHAIRMAN

DIRECTA PLUS PLC

(registered in England and Wales with registered number 04679109)

Directors

Sir Peter Middleton (*Non-executive Chairman*)
Giulio Cesareo (*Chief Executive*)
Marco Ferrari (*Chief Financial Officer*)
David Gann (*Non-executive Director*)
Neil Warner (*Non-executive Director*)
Richard Hickinbotham (*Non-executive Director*)

Registered Office

3rd Floor
11-12 St. James's Square
London
United Kingdom
SW1Y 4LB

To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares

Firm Placing of 4,256,000 new Ordinary Shares
Conditional Placing of 2,044,000 new Ordinary Shares
Open Offer of up to 2,009,674 new Ordinary Shares
in each case at 50 pence per share
and Notice of General Meeting

1. Introduction

On 12 December 2018, Directa Plus announced that the Company had conditionally raised up to £3.15 million by means of a Firm Placing and Conditional Placing.

The Firm Placing comprises the placing of 4,256,000 new Ordinary Shares at the Issue Price. A total of £2.13 million (before expenses) has been raised by way of the Firm Placing utilising the existing share authorities granted at the 2018 AGM. The Firm Placing is conditional only on the Placing Agreement not having been terminated in accordance with its terms and the occurrence of First Admission.

The Conditional Placing comprises the placing of 2,044,000 new Ordinary Shares at the Issue Price raising approximately £1.02 million (before expenses). The Conditional Placing is conditional, *inter alia*, upon Shareholders approving Resolutions 1 and 2 at the General Meeting, on the Placing Agreement not having been terminated in accordance with its terms and the occurrence of First Admission and Second Admission.

On 13 December, Directa Plus announced that, 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 is providing all Qualifying Shareholders with the opportunity to subscribe for an aggregate of up to 2,009,673 Open Offer Shares, to raise up to approximately £1.0 million (before expenses), on the basis of 1 Open Offer Share for every 22 Existing Ordinary Shares held on the Record Date, at the Issue Price, payable in full at the time of acceptance of the Open Offer. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility.

The Issue Price represents no discount to the closing price of 50 pence per Existing Ordinary Share on 11 December 2018 (being the last business day prior to the announcement of the Firm Placing and Conditional Placing).

The purpose of this document is to provide you with information about the background to and the reasons for the Proposals and give details of the Firm Placing, the Conditional Placing and the Open Offer, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that you vote in favour of the Resolutions required to be passed to implement them. The Conditional Placing and the Open Offer are conditional, amongst other matters, on the passing of Resolutions 1 and 2 respectively at the General Meeting.

Notice of the General Meeting to be held at 11.00 a.m. on 8 January 2019 at the offices of Directa Plus plc, 3rd floor, 11-12 St. James's Square, London, SW1Y 4LB at which the resolutions required to give effect to the Conditional Placing and Open Offer will be proposed, is set out at the end of this document.

2. 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.

3. 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.

4. 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.

5. The Firm Placing and Conditional Placing

Subject to the satisfaction of the conditions under the Firm Placing and the conditions under the Conditional Placing, including *inter alia*, the passing of Resolutions 1 and 2, the Company will place a total of 6,300,000 new Ordinary Shares raising in aggregate approximately £3.15 million (before expenses). The Placing Shares have been placed by Cantor Fitzgerald and N+1 Singer, as agent for the Company with institutional and other investors. The Placing Shares will be allotted at the Issue Price.

The Issue Price represents no discount to the closing mid-market price of 50 pence per Existing Ordinary Share on 11 December 2018 (being the last business day prior to the announcement of the Firm Placing and Conditional Placing).

The Conditional Placing is conditional upon, *inter alia*, Second Admission occurring no later than 8.00 a.m. on 9 January 2019 (or such later date as the Company, Cantor Fitzgerald and N+1 Singer shall agree, being no later than 23 January 2019).

The Fundraising is not underwritten by Cantor Fitzgerald or N+1 Singer or any other person.

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 in paragraph 3 of this Part I.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Cantor Fitzgerald and N+1 Singer have conditionally agreed to use reasonable endeavours, as agents of the Company, to procure subscribers for the Firm Placing Shares and the Conditional Placing Shares at the Issue Price. The Fundraising has not been underwritten by Cantor Fitzgerald, N+1 Singer or any other person.

The Firm Placing is conditional, *inter alia*, upon compliance by the Company with relevant obligations under the Placing Agreement and First Admission becoming effective on or before 8.00 a.m. on 17 December 2018

(or such later time and/or date as the Company, Cantor Fitzgerald and N+1 Singer may agree, but in any event by no later than 8.00 a.m. on 2 January 2019). The Conditional Placing is conditional, *inter alia*, upon First Admission having become effective, Resolutions 1 and 2 being duly passed at the General Meeting and Second Admission becoming effective on or before 8.00 a.m. on 9 January 2019 (or such later time and/or date as the Company, Cantor Fitzgerald and N+1 Singer may agree, but in any event by no later than 8.00 a.m. on 23 January 2019). If any of the conditions in relation to the Firm Placing are not satisfied, the Placing Shares will not be issued and all monies received from the investors in respect of the Placing Shares will be returned to them (at the investors' risk and without interest) as soon as possible thereafter. If any of the conditions in relation to the Conditional Placing are not satisfied, the Conditional Placing Shares will not be issued and all monies received from the investors in respect of the Conditional Placing Shares will be returned to them (at the investors' risk and without interest) as soon as possible thereafter.

The Placing Agreement contains warranties from the Company in favour of Cantor Fitzgerald and N+1 Singer in relation to, *inter alia*, the accuracy of certain information in this document and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Cantor Fitzgerald and N+1 Singer in relation to certain liabilities it may incur in respect of the Fundraising. Cantor Fitzgerald and N+1 Singer have the right to terminate the Placing Agreement prior to First Admission or to terminate the Conditional Placing after First Admission but prior to Second Admission in certain circumstances that are customary for an agreement of this nature, in particular in the event of any breach of the warranties given to Cantor Fitzgerald and N+1 Singer in the Placing Agreement which either of Cantor Fitzgerald or N+1 Singer considers to be material in the context of the Fundraising, the failure of the Company to comply, in any material respect, with any of its obligations under the Placing Agreement, the occurrence of a change in (amongst other things) national or international financial or political conditions which in the reasonable opinion of either Cantor Fitzgerald or N+1 Singer is likely to affect the Placing in a material way, or a material adverse change in the condition (financial, operational, legal or otherwise), earnings, business, management, property, assets, rights, results of operations or prospects of the Company which is material in the context of the Fundraising.

Settlement and dealings

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that First Admission will occur and that dealings will commence at 8.00 a.m. on 17 December 2018 on which date it is also expected that the Firm Placing Shares will be enabled for settlement in CREST. It is expected that Second Admission will occur and that dealings will commence at 8.00 a.m. on 9 January 2019 on which date it is also expected that the Conditional Placing Shares will be enabled for settlement in CREST.

The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive dividends and other distributions declared following First Admission or Second Admission (as the case may be).

6. Related Party Transactions

Dompè Group, as a substantial shareholder of the Company, has agreed to subscribe for 1,800,000 New Ordinary Shares pursuant to the Firm Placing. The participation of Dompè Group in the Firm Placing represents a related party transaction under the AIM Rules for Companies by virtue of Dompè Group being a substantial shareholder under the AIM Rules for Companies.

The Directors having consulted with the Company's nominated adviser, Cantor Fitzgerald, consider the terms of Dompè Group's participation in the Fundraising to be fair and reasonable insofar as Shareholders are concerned. In providing advice to the Directors, Cantor Fitzgerald has taken into account the commercial assessment of the Directors.

7. Details of the Open Offer

In order to provide Shareholders with an opportunity to participate, the Company is providing all Qualifying Shareholders with the opportunity to subscribe at the Issue Price for an aggregate of up to 2,009,673 Open Offer Shares. This allows Shareholders to participate on a pre-emptive basis whilst providing the Company with the flexibility to raise additional equity capital to further improve its financial position.

Shareholders are being offered the opportunity to apply for additional Open Offer Shares in excess of their *pro rata* entitlements to the extent that other Shareholders do not take up their entitlements in full. In the event of applications in excess of the maximum number of Open Offer Shares available, the Company will decide on the basis for allocation. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 2,009,673 Open Offer Shares issued pursuant to the Open Offer.

A Qualifying Non-CREST Shareholder who has sold or transferred all or part of their holding of Existing Ordinary Shares prior to the Ex-entitlement Date, should consult their broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 11 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into a Restricted Jurisdiction.

The Directors intend to participate in the Open Offer.

Basic Entitlement

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price. Qualifying Shareholders have a Basic Entitlement of:

1 Open Offer Share for every 22 Existing Ordinary Shares

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 2,009,673 Open Offer Shares.

Allocations under the Open Offer

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Open Offer Entitlements. The Board may scale back applications made in excess of Open Offer Entitlements on such basis as it reasonably considers to be appropriate.

Excess Application Facility

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their *pro rata* initial entitlement. Any such applications will be granted at the absolute discretion of the Company. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled according to the Directors' discretion to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. Applications under the Excess Application Facility may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that any applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Not all Shareholders will be Qualifying Shareholders. Shareholders who are located in, or are citizens of, or have a registered address in Restricted Jurisdictions will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 5 of Part III of this document.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

Conditions

The Open Offer is conditional upon, *inter alia*, the passing of the Resolutions 1 and 2 and Second Admission.

If the conditions are not satisfied, the Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled and application monies under the Open Offer will be refunded to the applicants, at the applicant's risk either as a cheque by first class post to the address set out on the Application Form or returned direct to the account of the bank or building society on which the relevant cheque or banker's draft was drawn in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment in the case of Qualifying CREST Shareholders, without interest, as soon as practicable thereafter.

8. Resolutions and General Meeting

The Directors currently have existing authorities to allot shares and disapply pre-emption rights under section 551 and section 570 of the Act which were obtained at the 2018 AGM. However, these are insufficient to enable the Company to allot and issue the full amount of New Ordinary Shares proposed to be issued and allotted pursuant to the Conditional Placing and Open Offer. Accordingly, the Conditional Placing and Open Offer are both conditional upon, amongst other things, the Directors obtaining appropriate Shareholder authorities at the General Meeting to allot the Conditional Placing Shares and the Open Offer Shares and to disapply statutory pre-emption rights which would otherwise apply to such allotment.

A notice convening the General Meeting to be held at the offices of Directa Plus plc, 3rd floor, 11-12 St. James's Square, London, SW1Y 4LB at 11.00 a.m. on 8 January 2019 is set out at the end of this document. An explanation of each of the Resolutions is set out below.

Resolution 1: Authority to allot shares

If passed by Shareholders, this resolution would give the Directors the authority to allot (a) the Conditional Placing Shares; (b) the Open Offer Shares; and (c) Ordinary Shares up to an aggregate nominal amount of £43,768.75 (representing 17,507,500 Ordinary Shares). The amount in (c) represents approximately one-third of the Enlarged Share Capital (assuming all Open Offer Shares are subscribed for in full). Unless revoked, varied or extended, the authority sought under this resolution will expire at the conclusion of the annual general meeting in 2019 or the close of business on 30 June 2019, whichever is sooner.

If passed, this resolution would give the Directors authority to allot the same percentage of Ordinary Shares that they would have been authorised to allot had the Fundraising not taken place. Other than in respect of the Fundraising, the Directors have no present intention to exercise the authority sought under this resolution. However, it is considered prudent to maintain the flexibility that this authority provides so that the Company can more readily take advantage of possible opportunities. These authorities are without prejudice to previous allotments or rights to receive allotments made under existing authorities.

Resolution 1 will be proposed as an ordinary resolution and requires a simple majority of Shareholders present, in person or by proxy, to vote in favour in order to be passed. This authority will replace the authority under section 551 of the Act given to the Directors at the 2018 AGM.

As at the date of this document, the Company did not hold any shares in treasury.

Resolution 2: Disapplication of pre-emption rights

This resolution would, if passed, allow the Directors to allot equity securities or sell treasury shares for cash (other than in connection with an employee share scheme), without having to offer such shares to existing shareholders in proportion to their own holdings (known as pre-emption rights).

The Act requires that, if the Company issues new shares, or grants rights to subscribe for or to convert any security into shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the Directors be authorised to issue shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings in the following circumstances: (a) in connection with the Conditional Placing; (b) in connection with the Open Offer; (c) a rights issue or other pre-emptive offer or an offer to holders of other equity securities if required by the right of those securities or if the Directors otherwise consider necessary; and (d) the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £13,130.63 (representing 5,252,250 Ordinary Shares). The amount in (c) represents approximately 10 per cent. of the Enlarged Share Capital (assuming the Open Offer Shares are subscribed for in full). The resolution also enables the Directors to modify the statutory preemption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue.

Resolution 2 will be proposed as a special resolution and requires a majority of at least 75 per cent. of those present, in person or by proxy, to vote in favour to be passed. If passed, this authority will expire, unless revoked, varied or extended, at the same time as the authority to allot shares given pursuant to Resolution 1. These authorities are without prejudice to previous allotments or rights to receive allotments made under existing authorities.

The Directors consider the authority in this resolution to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue or to otherwise issue a limited number of shares for cash pursuant to a subscription or placing.

Resolution 3: Amending Articles of Association

If passed, this resolution amends the Company's articles of association to enable a general meeting (other than an annual general meeting) to be held on 14 clear days' notice rather than 21 clear days' notice. The full text of the new article is set out in Resolution 3.

A copy of the Company's existing articles of association and proposed new articles of association marked to show the change will be available for inspection during normal business hours (excluding Saturdays, Sundays and bank holidays) at the Company's registered office from the date of the notice of General Meeting until the close of the General Meeting. The proposed new articles of association will also be available for inspection at the General Meeting at least 15 minutes prior to the start of the General Meeting and up until the close of the General Meeting.

Resolution 3 will be proposed as a special resolution and requires a majority of at least 75 per cent. of those present, in person or by proxy, to vote in favour to be passed.

Each of the Resolutions will be voted on by way of a poll. This ensures that shareholders who are unable to attend the General Meeting but who have appointed proxies have their votes fully taken into account.

The full text of the Resolutions is set out in the Notice of the General Meeting at the end of this Document. In the event that either Resolutions 1 or 2 are not passed by the requisite majority, then neither the Conditional Placing nor the Open Offer will proceed.

9. EIS/VCT

The Company received advance assurance on 1 April 2016 from 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.

10. Action to be taken by Shareholders

If a hard copy of the Form of Proxy is requested this should be completed and returned in accordance with the instructions printed on it so as to arrive at the Company's registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and in any event not later than 11.00 a.m. on 4 January 2019. Completion and return of the Form of Proxy will not prevent Shareholders from attending the General Meeting and voting in person should they so wish.

The action to be taken by Qualifying Shareholders in order to apply for Open Offer Shares under the Open Offer is set out under "Procedure for Application and Payment" in Part III of this document and in the Application Form accompanying this circular.

The articles of association of the Company permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so.

11. Recommendation

The Board believe that the Firm Placing, Conditional Placing and Open Offer are in the best interests of the Company and its Shareholders as a whole and recommend Shareholders to vote in favour of the Resolutions, as they intend to do in respect of their own beneficial holdings of 3,365,836 Ordinary Shares, representing approximately 7.61 per cent. of the current issued share capital of the Company.

Yours faithfully,

Sir Peter Middleton

Chairman

PART II:

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risks set out below in addition to all of the other information set out in this document before investing in the Ordinary Shares. The investment offered in this document may not be suitable for all of its recipients. Potential investors are accordingly advised to consult a professional adviser authorised under FSMA, who specialises in advising on the acquisition of shares and other securities, before making any investment decision. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to them.

In addition to the usual risks associated with an investment in a company, the Directors believe that the factors and risks described below are the most significant in relation to an investment in the Company and should be carefully considered, together with all the information contained in this document, prior to making any investment decision in respect of the Ordinary Shares.

However, the risks listed do not necessarily comprise all of those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors, or which the Directors currently deem immaterial, may also have an adverse effect on the Company and the information set out below does not purport to be an exhaustive summary of the risks affecting the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment. The Company's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

1. RISKS RELATING TO THE COMPANY AND ITS BUSINESS

1.1 *Commercialisation of the Company's graphene products*

The success of the Company will depend on the market's acceptance of, and attribution of value to, the split plasma technology developed by the Company based on converting principally raw, mined graphite and other specially treated natural graphite into high quality graphene.

There can be no guarantee that this acceptance will continue to be forthcoming, that an acceptable level of commercial orders will be received or that the Company's graphene products will succeed as an alternative to other new products from both other producers of graphene and producers of nanomaterials.

The development of new markets for the Company's products is affected by many factors, some of which are beyond its control, including the emergence of newer, more successful graphene technologies and products. Notwithstanding the technical merits of the products developed by the Company, there can be no guarantee that its targeted customer base for the product will purchase or continue to purchase the product. If a market fails to develop or develops more slowly than anticipated, the Company may be unable to recover losses incurred in the development of its products and may never achieve profitability. In addition, the Directors cannot guarantee the Company will continue to develop, manufacture or market its products if market conditions do not support the continuation of such products.

1.2 *Early stage of operations*

Whilst the Company has sold product, the business remains at an early stage of development. There are a number of operational, strategic and financial risks associated with such early stage companies. In particular, the Company's future growth and prospects will depend on its ability to continue to develop products with commercial partners for applications which have sufficient commercial appeal, to manage growth and to continue to improve operational, financial and management information

and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on its business, financial condition and results of operations. There can be no certainty that the Company will achieve increased or sustained revenues, profitability or positive cash flow from its operating activities within the timeframe expected by the Board or at all. The development of the Company's revenues is difficult to predict and there is no guarantee that it will generate any material revenues in the foreseeable future. The Company has a limited operating history upon which its performance and prospects can be evaluated.

1.3 **Commercialisation Risk**

The Company has, and will continue to enter into, arrangements with third parties in respect of the development, production and commercialisation of products based on the Company's graphene technology. The Company's principal route to market is expected to be through ongoing product development partnerships with market-leading companies in particular applications leading to material supply agreements.

The Company's long-term success will depend both on its ability to progress from its existing collaborations to material sales and on its negotiation of appropriate terms for any future supply agreements. Furthermore, the Company's negotiating position in agreeing terms of either joint development or supply may be affected by its size and limited cash resources relative to potential development partners with substantial cash resources and established levels of commercial success. An inability to enter into such arrangements on favourable terms, if at all, or disagreements between the Company and any of its potential partners could lead to reduced payments and/or delays in the Company's commercialisation strategy and this may have a significant adverse effect on the Company's business, financial condition and results.

The results of any R&D undertaken with a partner under any of its collaborations may not meet the required specifications or expectations of that partner or be successful, attractive or acceptable in product trials. Accordingly, there can be no assurance that any of the existing collaborations or future collaborations with the Company's partners will result in a material supply arrangement with those partners on favourable terms or at all, or that the Company will achieve any revenue, profitability or cash flow from such activities.

The loss of, or changes affecting, the Company's relationships with commercialisation partners could adversely affect the Company's results or operations and the Company will have limited input on the product strategies adopted by any of its partners. Furthermore, there is a risk that development partners may reprioritise within their product portfolio resulting in the Company achieving sales below that which the Directors anticipate. In any such arrangement, the Company will be dependent on such partners for its revenue and the sales strategies and product positioning of the Company's development partners may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company will, at least in the short term following Second Admission, be dependent on a relatively small, albeit growing number of commercial partners. If any of these companies were to cease to work with the Company, it could potentially have a material impact on the trading, financial condition and prospects of the Company.

1.4 **Commercial Agreements**

The Directors anticipate that a significant part of the Company's future revenues will be derived from development, licensing and production agreements with other companies. There can be no assurance that the Company will be able to negotiate commercially acceptable licensing or other agreements for the exploitation of future technologies. In addition, there can be no assurance that any company who enters into agreements with the Company will not pursue alternative technologies either on their own or in collaboration with others including the Company's competitors.

In addition, there can be no guarantee that the current development programmes of the Company will not be delayed or cancelled by customers, irrespective of how far progressed the Company is or the test results being obtained.

1.5 ***Failure to develop joint ventures and acquired businesses***

The Company has entered into a joint venture with Vittoria. The Directors expect the Company to acquire, or form joint ventures with, other companies or businesses in the future as a way of exploring new potential commercial applications for its graphene technologies. If the Company fails to successfully develop these acquired companies, businesses or joint ventures, it could impact on the Company's ability to establish themselves in new markets and/or expand their product offering. The integration of newly acquired businesses may be particularly difficult due to different business cultures in the various markets in which the Company operates or may operate in the future. Failure to successfully develop joint ventures or acquired businesses could have a material adverse effect on the Company's prospects, business, results of operation and financial condition.

1.6 ***Competition Risk***

The Company may face significant competition from organisations which have greater capital resources than it and/or which have a product offering competitive to that of the Company, to the detriment of the Company. The Directors are aware of three US-based companies with significant manufacturing capacities that are producing GNPs using an alternative production approach, and there are a number of smaller competitors also seeking to increase their production capacity and capability. There is no assurance that the Company will be able to compete successfully in the marketplace in which it seeks to operate.

1.7 ***Risk of competing materials***

There is a risk that technological advances in existing materials or in potential substitute materials may occur at a faster rate than the advances of graphene, which may impede the commercial progress of graphene. As a consequence, there could be little or no commercial demand for graphene. This would have a significant adverse effect on the Company's business.

1.8 ***Intellectual property protection***

The continuing ability to establish, protect and enforce Directa Plus' proprietary intellectual property rights (including but not limited to patents, know-how and trade secrets) is fundamental to the Company. The intellectual property on which the Company's business is based is a combination of existing patents granted, pending patent applications and keeping proprietary know-how secret.

No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Company. There may not be adequate protection for intellectual property rights in every country in which the Company's products are, or will be, made available and policing unauthorised use of proprietary information is difficult and expensive. Failure to protect the Company's intellectual property rights may result in another party copying or otherwise obtaining and using its proprietary content and technology without authorisation which could have a materially adverse effect on the Company.

Once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction. A substantial cost may be incurred if the Company is required to assert its intellectual property rights, including any patents, against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Company will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Company's intellectual property rights and activities. There is no assurance that obligations to maintain the Company's or partners' know-how would not be breached or otherwise become known in a manner which provides the Company with no recourse.

Any claims made against the Company's intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Company's resources. A third party asserting infringement claims against the Company and its customers could require the Company to cease the infringing activity and/or require the Company to

enter into licensing and royalty arrangements. The third party could also take legal action which could be costly to defend. In addition, the Company may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims would not have a material adverse effect on the Company's business, financial condition or results.

There is a risk that certain objections which have been raised, or may be raised in the future, by patent offices in relation to the patent applications which have been filed by the Company, may prevent those patent applications from being granted. If the patent applications are not granted, the consequence is that the techniques and processes described in the patent applications would not be protected and would be in the public domain. The Company would then continue to rely on the confidential know-how it has developed in related, ancillary or other processes and techniques it uses, such as the techniques it has developed for the dispersion of GNPs. In addition, the Company would pursue new patent applications for such related, ancillary and other processes and techniques it has developed.

1.9 ***Third Party Intellectual Property***

Although the Board believes that the Company's current products, products in development and processes do not infringe the intellectual property rights of any third parties, it is impossible to be aware of all third party intellectual property. No assurance can be given that third parties will not in the future claim rights in or ownership of the patents and other proprietary rights from time to time held by the Company. As further detailed above, substantial costs (both financially and in respect of management time) may be incurred if the Company is required to defend its intellectual property.

1.10 ***Risk of competitors discovering technological advances***

Graphene production is a very active area of R&D and it is expected that technological advances in graphene production will continue to occur and new technologies may develop. Advances in the process of producing graphene from either graphite or carbon-containing precursors could allow the Company's competitors to produce products faster and more efficiently and at substantially lower cost than the Company. If the Company is unable to adapt or incorporate technological advances into its operations, its production facilities could become less competitive. Further, it may be necessary for the Company to incur significant expenditure to acquire any new technology and retrofit its current processes in order to incorporate new technologies and remain competitive.

1.11 ***Existing capacity and proposed scaling up***

Whilst the Company's existing G+ materials production capacity is approximately 30 t/a of 3D material, the Company's production facility has only been operating for less than 24 months. Although the Directors believe that the Company will be able to produce up to 30 t/a of 3D material, there is no certainty that this will be achieved. Part of the proceeds of the Fundraising are being used to improve the Company's production capacity by way of scaling up the existing production facility and also by building a new manufacturing plant in Thailand. Whilst the Directors are confident this increase in production can be achieved, any delay in these new production facilities being completed could have a significantly adverse effect on the growth of the Company's business and its financial position.

1.12 ***The Company's production is subject to operating risk***

The production process is potentially exposed to the risks of fire, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, sabotage, labour disputes, lock-outs, potential unavailability of services of its external contractors, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect the Company's operating results.

1.13 ***Research and development risk***

The Company is engaged in the manufacture of graphene and the delivery of graphene formulations appropriate for incorporation into customer products. The Company is therefore involved in complex scientific areas and new product development and industry experience indicates a high incidence of delay or failure to generate results. There is no guarantee that the Company will be successful in its research and product development. Much of the Company's technology and intellectual property portfolio is at an early stage of development. The Company may not be able to develop and exploit

its technology sufficiently to enable it to develop commercial and marketable products. Furthermore, the Company may not be able to develop new technology solutions or identify specific market needs that can be addressed by technology solutions developed by the Company.

1.14 ***Growth plans may place strain on management and operations***

The ability of the Company to implement its strategy requires effective planning and management control systems. The Company's growth plans may place a significant strain on its management and operational, financial and personnel resource. Therefore, the Company's future growth and prospects will depend on its ability to manage this growth.

1.15 ***Company's future success is substantially dependent on the continued services and performance of its executive directors***

The Company's future success is substantially dependent on the continued services and performance of its executive Directors and senior management and its ability to attract and retain suitably skilled and experienced personnel. Whilst the Company has entered into employment contracts with each of its key personnel with the aim of securing their services, the Directors cannot give assurances that members of the senior management team and the executive Directors will continue to remain within the Company. The loss of the services of any of the executive Directors, members of senior management, secondees or other key employees could have a material adverse effect upon the Company's business and results of operations. Finding and hiring any such replacements could be costly and might require the Company to grant significant equity awards or other incentive compensation, which could adversely impact its financial results.

1.16 ***Health, safety and environmental risks***

The Company's operations are subject to numerous health, safety and environmental (HSE) requirements in the jurisdictions in which the Company conducts its business. Such HSE laws and regulations govern, among other matters, air emissions, wastewater discharges, solid and hazardous waste management and the use, composition, handling, distribution and transportation of hazardous materials. Many HSE laws and regulations are becoming increasingly stringent (and may impose strict liability) and the cost of compliance with these requirements can be expected to increase over time. Although the Directors believe that the Company's procedures comply with applicable regulations, any failure to comply with HSE laws and regulations could result in the Company incurring costs and/or liabilities, including as a result of regulatory enforcement, personal injury, property damage and claims and litigation resulting from such events, which could adversely affect the Company's results of operations and financial condition. Accidents or mishandling involving hazardous substances could cause severe or critical damage or injury to property and human health. Such an event could result in civil lawsuits and/or regulator enforcement proceedings, both of which could lead to significant liabilities. Any damage to persons, equipment or property or other disruption of the Company's business could result in significant additional costs to replace, repair and insure the Company's assets, which could negatively affect the Company's business, prospects, operating results and financial condition. The Company cannot predict the impact of new or changed HSE laws or regulations or other concerns or changes in the ways that such laws or regulations are administered, interpreted or enforced.

The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that any of the requirements impose substantial costs or constrain the Company's ability to expand or change its processes, the Company's business, prospects, operating results and financial condition may suffer as a result. The Company is aware that it will require a permit from the Environment Agency in respect of the commercial production of graphene. The Company will submit an appropriate application for such a permit at the appropriate time. The Directors are not aware of any reason why such permit would not be granted, however, there is no guarantee that such a permit would be granted and failure to obtain such a permit would have a significant adverse effect on the business of the Company.

1.17 ***Safety of handling graphene***

Graphene is a relatively new material with a limited number of studies into its effects on biological systems. The Health and Safety Executive published guidance in 2013 on the use of nanomaterials in the workplace and specifically about the manufacture and manipulation of all manufactured nanomaterials, including CNTs and other biopersistent HARNs. The report stated that there was

emerging evidence indicating that exposure to some kinds of nanomaterials can cause skin inflammation and fibrosis in the lungs but that there was insufficient data to confirm health consequences of long term repeated exposure and more information was required to properly understand the conditions that produce such effects. The Directors believe that the Company is acting prudently by following the Health and Safety Executive guidelines for the handling of HARNs in its procedures for handling graphene. However, there is no guarantee that evidence will not emerge that graphene has a deleterious effect on biological systems, which may limit the potential applications of graphene, require the Company to expend additional funds on safety measures, and potentially have a material adverse effect on the Company's business, financial position or prospects.

1.18 ***No certainty that the Company's insurance cover is adequate to protect against every eventuality***

There can be no certainty that the Company's insurance cover is adequate to protect against every eventuality. The occurrence of an event for which the Company did not have adequate insurance cover could have a material adverse effect on the business, financial condition and results of operations of the Company.

1.19 ***Product Liability***

Some of the Company's product and pipeline product applications are designed for use in industries which are highly regulated. There is a risk that the Company may lose contracts or could be subject to fines or penalties for any non-compliance with the relevant industry regulations. Furthermore, there is a risk of litigation and reputational damage, as well as product liability and indemnity risks.

1.20 ***Disaster Recovery***

The Company depends on the performance, reliability and availability of its plant, equipment and information technology systems. Any damage to, or failure of, its equipment and/or systems could result in disruption to the Company's operations. The Company's disaster recovery plans (which are currently in place for both the Company's financial systems and other IT systems) may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Company's business, financial condition and results of operations.

1.21 ***Expenditure required may be more than currently anticipated***

There is a risk that the amount that the Company anticipates will be needed to fund its growth will be insufficient, that the anticipated timing of such investment may prove incorrect or that the Company may be unable to raise the amounts required (if at all). Costs may be greater than planned, or timings may vary from those targeted, which could have a material adverse effect on the implementation of the Company's strategy and its business, financial condition and results of operations.

The proceeds of the Fundraising are expected to be sufficient to implement the Board's strategy in the short to medium term. However, if the Company fails to generate sufficient cash through the sale of its products, it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion, development and/or the ongoing operating costs of the Company. If the Company is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its planned development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pre-emptive basis to then existing shareholders, the percentage ownership of such shareholders may be substantially diluted.

1.22 ***Government Grants***

The Company has historically received government and EC grants in respect of various R&D programs undertaken by the Company. Due to the product specific nature of these grants there is no guarantee that future grant funding will be awarded. To the extent that certain graphene and other nanoscale material based technologies become more mature technologies, support for such technologies by way of grants and/or tax exemptions are likely to decrease.

1.23 **Counterparty risk**

There is a risk that parties with whom the Company trades or has other business relationships (including partners, customers, suppliers and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Company trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Company.

1.24 **Inability to source capital equipment**

The Company is reliant on being able to source the capital equipment it requires, in particular its supplier of plasma reactors, and to customise this equipment for its needs. The Company has identified and is currently working with a supplier and expects to be able to source further reactors in due course. There is no certainty that the supplier will be able to meet the Company's requirements in this regard.

1.25 **Requirement for further investment**

The Company may require further funds for expansion. There can be no guarantee that the necessary funds will be available when required or on acceptable terms. If, for whatever reason, the Company is unable to obtain such additional funding, it may need to cut back its growth plans or retrench its operations. If this situation was to arise, it would be likely to have an adverse impact on the Company's business, its development, financial condition, operating results or prospects and share price. The proceeds of the Fundraising are expected to be sufficient to implement the Board's strategy in the short to medium term. However, if the Company fails to generate sufficient cash through the sale of its products, it may need to raise additional capital in the future, whether from equity or debt sources, to fund expansion, development and/or the ongoing operating costs of the Company. If the Company is unable to obtain this financing on acceptable terms then it may be forced to curtail its planned development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pre-emptive basis to then existing shareholders, the percentage ownership of such shareholders may be substantially diluted.

2. RISK FACTORS RELATING TO THE MARKETS IN WHICH THE COMPANY PROPOSES TO OPERATE

2.1 **Demand for graphene may not meet expectations**

Although there are numerous potential applications for graphene and potentially a large global market, there is no guarantee that graphene will become a widely accepted material for use on a commercial scale and in addition it is possible that new products may supersede graphene. Even if graphene does become widely accepted, industry may be unwilling to disrupt its existing manufacturing processes or take longer to do so than anticipated and the conversion of current interest into wide scale commercial adoption may therefore either fail to materialise or take longer than anticipated. The Company may also be unsuccessful in its effort to realise commercial and financial benefits from this wider acceptance.

2.2 **Impact of supply and demand of graphene on sales and pricing**

Commercial applications of graphene are currently limited. The Directors believe that, at present, aggregate global manufacturing capacity for graphene exceeds aggregate demand and that this will provide the Company with potential sales opportunities for its products. Furthermore, the Directors believe that in overseas markets, demand for graphene will, in general, exceed local supplies thereby providing export opportunities for the Company. If these market assumptions are incorrect, the Company's sales targets may not be achieved as pricing pressure adversely impacts the Company.

2.3 **Exposure to exchange rate fluctuations**

The Company is likely to be exposed to exchange rate fluctuations. Changes in foreign currency exchange rates may affect the Company's pricing of products sold and materials purchased in foreign currencies. The Directors will, where appropriate, consider using certain derivative financial instruments, including foreign currency forward contracts used to hedge sale commitments denominated in foreign currencies, to reduce the Company's exposure to this risk.

2.4 **Exposure to economic cycle**

Market conditions may affect the value of the Company's share price regardless of operating performance. The Company could be affected by unforeseen events outside of its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Company could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Company may operate. Deterioration in the economic climate could result in a delay or cancellation of clients' projects.

2.5 **Force majeure events**

The Company's operations now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

2.6 **Laws and regulations**

The Company is subject to the laws of the United Kingdom. Existing and future legislation and regulation could cause additional expense, capital expenditure and restrictions and delays in the activities of the Company, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Company's activities or services. Similar risks could apply in any overseas markets into which the Company may sell its products.

2.7 **The United Kingdom's exit from the European Union**

The determination by the United Kingdom to serve notice on 29 March 2017 to exit the European Union pursuant to Article 50 of the Treaty of Lisbon ("Brexit") means the United Kingdom is likely to leave the European Union no later than April 2019. There are significant uncertainties in relation to the terms and time frame within which such an exit will be effected, and there are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including, amongst other things, the UK's regulatory and tax system, the conduct of cross border business and export and import tariffs. There is also uncertainty in relation to how, when and to what extent these developments will impact on the economy in the UK and on levels of investor activity and confidence, on market performance and on exchange rates. There is also a risk that the vote by the UK to leave could result in other member states reconsidering their respective membership of the European Union. Although it is not possible to predict fully the effects of the UK's exit from the European Union, any of these risks, taken singularly or in the aggregate, could have a material adverse effect on the Company's business, revenue, financial condition, profitability, results, prospects and/or future operations.

3. RISK FACTORS ASSOCIATED WITH THE NEW ORDINARY SHARES

3.1 **Investment Risks**

An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment. In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. These factors could include the performance of the Company's business, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes, general economic and political conditions and interest and inflation rate variations. The value of the Ordinary Shares may therefore fluctuate and not reflect their underlying asset value.

3.2 **General risks of investing in shares traded on AIM**

Application will be made for the Ordinary Shares to be admitted to AIM, a market designated primarily for emerging or smaller companies. AIM securities are not admitted to the Official List. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. 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 authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

3.3 **AIM Rules for Companies**

The AIM Rules for Companies are less onerous than those of the Official List. Neither the FCA nor the London Stock Exchange has examined or approved the contents of this document. Shareholders and prospective investors (as appropriate) should be aware of the risks of investing in AIM quoted shares and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

3.4 **Volatility of Share Price**

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Company's performance.

The following factors, in addition to other risks described in this document, may have a significant effect on the market price of the Ordinary Shares:

- variations in operating results;
- actual or anticipated changes in the estimates of operating results or changes in stock market;
- analyst recommendations regarding the Ordinary Shares, other comparable companies or the industry generally;
- macro-economic conditions in the countries in which the Company may do business;
- foreign currency exchange fluctuations and the denominations in which the Company may conduct business and holds cash reserves;
- market conditions in the industry, the industries of customers and the economy as a whole;
- actual or expected changes in the Company's growth rates or competitors' growth rates;
- changes in the market valuation of similar companies;
- trading volume of the Ordinary Shares;
- sales of the Ordinary Shares by the Directors or other Shareholders; and
- adoption or modification of regulations, policies, procedures or programs applicable to the Company's business.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Company's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Company. Each of these factors, among others, could diminish the value of the Ordinary Shares. There is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

3.5 ***EIS & VCT status***

The Company is a qualifying company for the purposes of the EIS and new Ordinary Shares issued pursuant to the Firm Placing are expected to be capable of being a “qualifying holding” for the purposes of investment by VCTs, as described in the paragraph headed VCT and EIS in Part I of this document. Although it is intended that the Company will be managed so that this status continues, there is no guarantee that such status will be maintained. Changes in the Company’s circumstances may result in such status being withdrawn, in which case investors who had participated in the Placing as an EIS or VCT investment may lose the tax benefits associated with such an investment and any tax relief that has been claimed may be reduced or withdrawn. Despite the advance assurance from HMRC, it is unlikely that all investors who subscribe for shares and who would otherwise qualify for relief will be able to benefit from EIS or VCT qualifying status on their subscription for shares. This is because there is a limit on the number of issued shares that can fall within the reliefs due, affected by a statutory limit on the amount that can be raised within such schemes, in turn affected by previous EIS share allotments and grant(s) received. The directors estimate approximately £6.0 million of relief being available. The Company and its advisors will have discretion regarding if and to what extent any available EIS or VCT relief will be allocated to otherwise eligible investors.

3.6 ***Taxation***

The taxation implications of investing in the Company are dealt with in Part IV of this document. The tax rules and their interpretation relating to an investment in the Company may change during the life of the Company. The levels of, and relief from, taxation may change. Any tax reliefs referred to in this document are those currently available and their application depends on the individual circumstances of investors. The information given in this document relates only to UK investors and investors in other jurisdictions must seek their own tax advice. Any change in the Company’s tax status, or the tax applicable to holding Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of the assets held by the Company or the Company, affect the Company’s ability to provide returns to Shareholders and/or alter the post-tax return of Shareholders. Statements in this document concerning the taxation of the Company, the Company and/or its investors are based upon current law and practice which are subject to change.

3.7 ***Future capital raisings may not be successful***

If securities or industry analysts do not publish research or publish unfavourable or inaccurate research about the business, the Company’s share price and trading volume of the Ordinary Shares could decline. The trading market for the Ordinary Shares will depend, in part, on the research and reports that securities or industry analysts publish about the Company or its business. The Directors may be unable to sustain coverage by well-regarded securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of the Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Ordinary Shares could be negatively impacted. In the event that the Company obtains securities or industry analyst coverage, if one or more of the analysts who cover the Company downgrade the Ordinary Shares or publish inaccurate or unfavourable research about the Company’s business, the share price would be likely to decline. If one or more of these analysts cease coverage of the Company or fail to publish reports regularly, demand for the Ordinary Shares could decrease, which might cause the share price and trading volume to decline.

3.8 ***Dilution of shareholders’ interests as a result of additional equity fundraising***

The Company may decide to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pre-emptive basis to existing shareholders, the percentage ownership of the existing shareholders may be reduced. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than the New Ordinary Shares. In addition, the issue of additional shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for shareholders to sell Ordinary Shares at a desirable time or price.

3.9 ***Future payment of dividends***

There is no current intention to pay dividends in the short to medium term, nor can there be any assurance as to the level of future dividends. The declaration, payment and amount of any future

dividends of the Company is subject to the discretion of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles.

3.10 ***Market Perception***

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

PART III:

TERMS AND CONDITIONS OF THE OPEN OFFER

1. INTRODUCTION

As explained in the letter set out in Part I of this document, the Company is proposing to issue up to 6,300,000 New Ordinary Shares at the Issue Price pursuant to the Firm Placing and Conditional Placing to raise £3.15, and to raise, assuming that it is fully subscribed, through the Open Offer, approximately £1.0 million (net of expenses incurred in relation to the Open Offer).

Upon completion of the Open Offer, assuming it is fully subscribed, the Open Offer Shares will represent approximately 3.8 per cent. of the Enlarged Share Capital. The Existing Ordinary Shares will represent approximately 84.2 per cent. of the Enlarged Issued Share Capital.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 6.00 p.m. on 10 December 2018. Application Forms are being posted to Qualifying Non-CREST Shareholders together with this document on 13 December 2018 and Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as practical after 8.00 a.m. on 14 December 2018.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for further Open Offer Shares. Further details in relation to the Excess Application Facility are set out in Part IV “Questions and Answers about the Open Offer” in this Circular and, for Qualifying Non-CREST Shareholders, the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) **is expected to be 11.00 a.m. on 4 January 2019** with Second Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 9 January 2019.

This document and, for Qualifying Non-CREST Shareholders only, the Application Forms contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4.1 of this Part III: “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Company is proposing to issue up to 2,009,673 Open Offer Shares at the Issue Price subject to Second Admission and the passing of Resolutions 1 and 2, in respect of valid applications by Qualifying Shareholders. Application will be made for the Placing Shares and Open Offer Shares to be admitted to trading on AIM.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 2,009,673 Open Offer Shares in aggregate *pro rata* (excepting fractional entitlements) to their current holdings at the Issue Price in accordance with the terms of the Open Offer.

Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement as at the Record Date.

The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 2,009,673 Open Offer Shares issued pursuant to the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent

through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for up to 2,009,673 Open Offer Shares in aggregate at the Issue Price *pro rata* to their holdings. The Issue Price is the same for the Open Offer, the Firm Placing and the Conditional Placing, which represents no discount to the closing price of 50 pence per Existing Ordinary Share on 11 December 2018 (being the last business day prior to the announcement of the Fundraising).

Fractions of Open Offer Shares will not be allotted to Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares and made available in the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Application Form will show the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3) and your Open Offer Entitlement (in Box 4).

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV “Questions and Answers about the Open Offer” and, for Qualifying Non-CREST Shareholders, the Application Form.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part III: “Terms and Conditions of the Open Offer” for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Board will use their discretion as to whether to accept all applications in full, or that such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders.

Please refer to paragraphs 4.1(d) and 4.2(j) of this Part III “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.

Following the issue of the Open Offer Shares to be allotted pursuant to the Open Offer, a Qualifying Shareholder who holds 1,000 Existing Ordinary Shares who does not take up any of his entitlement under the Open Offer *pro rata* to his current holding, will suffer a dilution between a range of approximately 12.0 per cent. and 15.8 per cent. of his interest in the Company dependent on the take-up and oversubscription of the Open Offer by other Qualifying Shareholders (assuming the Open Offer is not over-subscribed in aggregate).

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying CREST Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear’s Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up

Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements will be issued to Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 14 December 2018.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional upon, amongst other things:

- (a) the approval of Resolutions 1 and 2 at the General Meeting and upon the Placing Agreement becoming unconditional in all respects (other than as to Second Admission); and
- (b) Second Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 9 January 2019 (or such later time and/or date as the Company, Cantor Fitzgerald and N+1 Singer may determine, not being later than 8.00 a.m. on 23 January 2019).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who validly elect to hold their Open Offer Shares in certificated form by 23 January 2019. In respect of those Qualifying Shareholders who will validly elect to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST as soon as possible after 8.00 a.m. on 9 January 2019.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Second Admission is expected to occur at 8.00 a.m. on 9 January 2019, when dealings in the Open Offer Shares are expected to begin.

All monies received by the Receiving Agent in respect of Open Offer Shares will be credited to a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. PROCEDURE FOR APPLICATION AND PAYMENT

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Open Offer Entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive the Application Form. The Application Form will show the number of Existing Ordinary Shares at the Record Date. It will also show Qualifying Shareholders the number of Open Offer Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST.

Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 of this Part III: "Terms and Conditions of the Open Offer".

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send a USE message through CREST.

4.1 ***If you have an Application Form in respect of your Open Offer Entitlements under the Open Offer***

(a) *General*

Subject as provided in paragraph 6 of Part III: "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form will show the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the Open Offer Entitlement allocated to them set out in Box 4. Entitlements to Open Offer Shares are rounded down to the nearest whole number and fractional Open Offer Entitlements have therefore also been rounded down. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement at the Record Date. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds applications under the Excess Application Facility, the Board will use their discretion as to whether to accept all applications in full, or to scale back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

The instructions and other terms set out in the Application Form forms part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the Ex-entitlement Date. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 2 January 2019. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying

Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the Ex-entitlement Date, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 11 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States or any Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2(b) below.

(c) *Application procedures and payments*

Qualifying Non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying Non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds 2,009,673 applications under the Excess Application Facility, the Board will use their discretion as to whether to accept all applications in full, or to scale back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Qualifying Non-CREST Shareholders must make payment for their Open Offer Shares and any Excess Shares in full at the time of acceptance of the Open Offer.

Completed Application Forms should be posted in the pre-paid envelope accompanying the Application Form or returned by post or by hand (during normal business hours only) to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 4 January 2019, after which time Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Link Market Services LTD re Directa Plus plc 2018 Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post

will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Placing and Open Offer are fulfilled, the application monies will be credited to a non-interest bearing account by the Receiving Agent. If the Placing and Open Offer do not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, but within 14 days, following the lapse of the Placing and Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 4 January 2019; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 4 January 2019 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

If Open Offer Shares have already been allotted to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, Cantor Fitzgerald, N+1 Singer or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholders.

(d) *Incorrect sums*

If an Application Form encloses a payment for an incorrect sum, the Company through Link Asset Services reserves the right:

- (i) to reject the application in full and return the cheque or refund the payment to the Qualifying Non-CREST Shareholder in question; or
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Qualifying Non-CREST Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.

All monies received by Link Asset Services in respect of Open Offer Shares will be held in a separate non-interest bearing account.

(e) *The Excess Application facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Non-CREST Shareholder to apply for Open Offer Shares in excess of their Open Offer Entitlement.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Board will use their discretion as to whether to accept all applications in full, or to scale back such applications *pro rata* to existing shareholdings and no assurance can be given that applications under the Excess Application Facility by Qualifying Shareholders will be met in full or in part or at all.

Qualifying Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Open Offer Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Qualifying Non-Crest Shareholders who hold less than 22 Ordinary Shares will not have a basic entitlement but can apply under the excess facility.

Should the Conditional Placing and Open Offer become unconditional and applications for Open Offer Shares exceed 2,009,673 Open Offer Shares and the Board agree to scale back applications, each Qualifying Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, but within 14 days thereafter, without payment of interest and at the applicant's sole risk.

(f) *Effect of application*

All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company, Cantor Fitzgerald and N+1 Singer that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company, Cantor Fitzgerald and N+1 Singer that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- (iv) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he is a Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a bona fide market claim;
- (v) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that if he has received some or all of his Open Offer Entitlements from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares, to which he will become entitled be issued to him on the terms set out in this document and the Application Form;
- (vii) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or

under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (viii) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on Cantor Fitzgerald or N+1 Singer or any person affiliated with Cantor Fitzgerald or N+1 Singer in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or you can contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

A Qualifying Non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 4.2(f) below for more information.

4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) *General*

Subject as provided in paragraph 6 of Part III: “Terms and Conditions of the Open Offer” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess CREST Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down. Any fractional entitlements to Open Offer Shares arising will be aggregated and made available under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 14 December 2018, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive an Application Form.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. Please note the Receiving Agent cannot provide financial, legal or tax advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or to apply for Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *Unmatched Stock Event (“USE”) instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements or Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(d) *Content of USE instruction in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

- (ii) the ISIN of the Open Offer Entitlement. This is GB00BGRCCJ32;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 29959DIR;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 4 January 2019; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 4 January 2019.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 4 January 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 9 January (or such later time as the company, Cantor Fitzgerald and N+1 Singer determine being no later than 8.00 a.m. on 23 January 2019) the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE Instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BGRCCCL53;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Registrar in its capacity as a CREST receiving agent. This is 29959DIR;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 4 January 2019; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 4 January 2019.

In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (i) a contract name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 4 January 2019 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 9 January 2019 (or such later time and date as the Company, Cantor Fitzgerald and N+1 Singer determine being no later than 23 January 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(f) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim), provided that such Qualifying Non-CREST Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 4 January 2019. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 31 December 2018 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 28 December 2018 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 4 January 2019.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 4 January 2019 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 4 January 2019. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(j) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Board will have discretion to scale back such applications *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all. Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 5 of this Part III in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with Excess CREST Open Offer Entitlements to enable applications for Excess Shares to be settled through CREST. Qualifying CREST Shareholders should note that, although the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities. Neither the Open Offer Entitlement nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be

made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for excess Open Offer Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 2,009,673 Open Offer Shares and the Board agree to scale back applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk. Fractions of Open Offer Shares will be aggregated and made available under the Excess Application Facility.

All enquiries in connection with the procedure for applications under the Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or you can contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

(k) *Effect of valid application*

A CREST member who makes or is treated as making a valid application for some or all of their *pro rata* entitlement to the Open Offer Shares in accordance with the above procedures hereby:

- (i) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees to the Company, Cantor Fitzgerald and N+1 Singer that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company, Cantor Fitzgerald and N+1 Singer that in making the application he is not relying on any information or representation in relation to the Company other than

that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;

- (v) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
 - (vi) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
 - (vii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the memorandum of association and articles of association of the Company;
 - (viii) represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
 - (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
 - (x) confirms that in making the application he is not relying and has not relied on Cantor Fitzgerald or N+1 Singer or any person affiliated with Cantor Fitzgerald or N+1 Singer in connection with any investigation of the accuracy of any information contained in this document or his investment decision.
- (l) *Company's discretion as to the rejection and validity of applications*
The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III: "Terms and Conditions of the Open Offer";
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any

information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 9 January (or such later time as the company, Cantor Fitzgerald and N+1 Singer determine being no later than 8.00 a.m. on 23 January 2019), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

4.3 Holders of Application Forms

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent’s stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the “relevant Open Offer Shares”) shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and Cantor Fitzgerald and N+1 Singer from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,350).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Link Market Services LTD re Directa Plus Plc 2018 Open Offer A/C" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar at the address set out on page 5 of this document.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or you can contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,350) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake

proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

4.4 Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements and/or Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. OVERSEAS SHAREHOLDERS

This document has been approved by the FCA, being the competent authority in the United Kingdom. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

5.1 General

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Cantor Fitzgerald, N+1 Singer, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Cantor Fitzgerald, N+1 Singer nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company or Cantor Fitzgerald determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III: "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or despatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraph 5.2 to 5.4 below. Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed and no action should be taken to take up any Open Offer Entitlement or Excess CREST Open Offer Entitlement so credited.

5.2 **United States**

The New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act of 1933 and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act of 1933 as amended, is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any New Ordinary Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any New Ordinary Shares may be transferred. In addition, the Company and Cantor Fitzgerald reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the United States by a dealer (whether or not participating in the Placing and Open Offer) may violate the registration requirements of the US Securities Act of 1933 as amended.

5.3 **Restricted Jurisdictions**

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

5.4 **Other overseas territories**

Application Forms will be sent to Qualifying Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

5.5 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying Non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Cantor Fitzgerald, N+1 Singer and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in this Part III: "Terms and Conditions of the Open Offer" represents and warrants to the Company, Cantor Fitzgerald and N+1 Singer that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

5.6 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company or Cantor Fitzgerald in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form.

Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

6. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 8 January 2019. Applications will be made to AIM for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 9 January 2019.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 4 January 2019 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 9 January 2019, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Second Admission (expected to be 9 January 2019). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given. Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied (including excess Open Offer Shares successfully applied for under the Excess Application Facility) for are expected to be despatched by post by 23 January 2019. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Application Form.

7. TIMES AND DATES

The Company shall, in agreement with Cantor Fitzgerald and N+1 Singer and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify AIM, and make an announcement on a Regulatory Information Service approved by AIM and, if appropriate, by Shareholders but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

8. TAXATION

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the United Kingdom, should immediately consult a suitable professional adviser.

9. FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, whether by way of their Open Offer Entitlement or through the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV:

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV: "Questions and Answers about the Open Offer" are intended to be in general terms only and, as such, you should read Part III: "Terms and Conditions of the Open Offer" of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III: "Terms and Conditions of the Open Offer" of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III "Terms and Conditions of the Open Offer" of this document for full details of what action you should take.

If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

1. WHAT IS AN OPEN OFFER?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the Open Offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 2,009,673 Open Offer Shares at a price of 50 pence per share. If you hold Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 22 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Open Offer Shares are being offered to Qualifying Shareholders at the Issue Price which represents no discount to the closing price of 50 pence per Existing Ordinary Share on 11 December 2018 (being the last business day prior to the announcement of the Firm Placing and Conditional Placing).

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back *pro rata* to existing shareholdings should the Board agree to do so and that applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares, and no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any New Ordinary Shares which are the subject of the Firm Placing and Conditional Placing.

2. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW I AM ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares on or after 8.00 a.m. on 13 December 2018 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange plc).

3. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I KNOW HOW MANY OPEN OFFER SHARES I AM ENTITLED TO TAKE UP?

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be posted, along with a cheque or banker’s draft drawn in the appropriate form, in the pre-paid envelope that will accompany the Application Form or returned by post or by hand (during normal office hours only), to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 4 January 2019, after which time Application Forms will not be valid.

4. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM AND AM ELIGIBLE TO RECEIVE AN APPLICATION FORM. WHAT ARE MY CHOICES IN RELATION TO THE OPEN OFFER?

(a) *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 4 January 2019, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of New Ordinary Shares pursuant to the Firm Placing, Conditional Placing and Open Offer (assuming all Open Offer Shares are subscribed for in full).

(b) ***If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 6 and 7 of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 25 shares, then you should write '25' in Boxes 6 and 7. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by £0.50, which is the price in pounds of each Open Offer Share (giving you an amount of £12.50 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the pre-paid envelope that accompanies the Application Form or return by post or by hand (during normal office hours only), to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 4 January 2019, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Link Market Services LTD re Directa Plus Plc 2018 Open Offer A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 5 of Part III).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 23 January 2019.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 5 of your Application Form), payable to "Link Market Services LTD re Directa Plus Plc 2018 Open Offer A/C" and crossed "A/C payee only", in the pre-paid envelope that will accompany the Application Form or return by post or by hand (during normal office hours only), to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by the Receiving Agent by no

later than 11.00 a.m. on 4 January 2019 after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services LTD re Directa Plus Plc 2018 Open Offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 23 January 2019.

(d) ***If you want to apply for more than your Open Offer Entitlement***

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 4 of the Application Form) in Box 6 and write the number of additional Open Offer Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8.

For example, if you have an Open Offer Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '50' in Box 6, '25' in Box 7 and '75' in Box 8. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '75') by £0.50, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £37.50 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence. You should then return your Application Form by post or by hand (during normal business hours) to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by the Receiving Agent by no later than 11.00 a.m. on 4 January 2019. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, and the Board agree to do so, such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services LTD re Directa Plus Plc 2018 Open Offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you, at your own risk, by no later than 23 January 2019.

5. I HOLD MY EXISTING SHARES IN UNCERTIFICATED FORM IN CREST. WHAT DO I NEED TO DO IN RELATION TO THE OPEN OFFER?

CREST members should follow the instructions set out in Part III: "Terms and Conditions of the Open Offer" of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

6. I ACQUIRED MY EXISTING ORDINARY SHARES PRIOR TO THE RECORD DATE AND HOLD MY EXISTING SHARES IN CERTIFICATED FORM. WHAT IF I DO NOT RECEIVE AN APPLICATION FORM OR I HAVE LOST MY APPLICATION FORM?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying Shareholders who held their Existing Ordinary Shares in uncertificated form on 10 December 2018 and who have converted them to certificated form;
- Qualifying Shareholders who bought Existing Ordinary Shares before 10 December 2018 but were not registered as the holders of those shares at the close of business on 10 December 2018; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

7. CAN I TRADE MY OPEN OFFER ENTITLEMENT?

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

8. WHAT IF I CHANGE MY MIND?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

9. WHAT IF THE NUMBER OF OPEN OFFER SHARES TO WHICH I AM ENTITLED IS NOT A WHOLE NUMBER: AM I ENTITLED TO FRACTIONS OF OPEN OFFER SHARES?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. Fractions will be made available in the Excess Application Facility.

10. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHAT SHOULD I DO IF I HAVE SOLD SOME OR ALL OF MY EXISTING ORDINARY SHARES?

If you hold shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 13 December 2018, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 14 December 2018, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

11. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. HOW DO I PAY?

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services LTD re Directa Plus Plc 2018 Open Offer A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

12. WILL THE EXISTING ORDINARY SHARES THAT I HOLD NOW BE AFFECTED BY THE OPEN OFFER?

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in Directa Plus will be reduced.

13. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?

You should send your completed Application Form in the pre-paid envelope that accompanies the Application Form or return by post or by hand (during normal office hours only), together with the monies in the appropriate form, to: Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (who will act as receiving agent in relation to the Open Offer). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

14. I HOLD MY EXISTING SHARES IN CERTIFICATED FORM. WHEN DO I HAVE TO DECIDE IF I WANT TO APPLY FOR OPEN OFFER SHARES?

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 4 January 2019, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

15. HOW DO I TRANSFER MY ENTITLEMENTS INTO THE CREST SYSTEM?

If you are a Qualifying Non-CREST Shareholder, but are a CREST member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to CCSS in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

16. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHEN WILL I RECEIVE MY NEW SHARE CERTIFICATE?

It is expected that Link Asset Services will post all new share certificates by 23 January 2019.

17. IF I BUY ORDINARY SHARES AFTER THE RECORD DATE, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you bought your Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. WILL I BE TAXED IF I TAKE UP MY ENTITLEMENTS?

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

19. WHAT SHOULD I DO IF I LIVE OUTSIDE THE UNITED KINGDOM?

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III: "Terms and Conditions of the Open Offer" of this document.

20. FURTHER ASSISTANCE

Should you require further assistance please contact the Receiving Agent, Link Asset Services on +44 (0)371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

PART V:
NOTICE OF GENERAL MEETING

DIRECTA PLUS PLC

(registered in England and Wales with registered number 04679109)

NOTICE IS HEREBY GIVEN that a general meeting of Directa Plus plc (the “**Company**”) will be held at 3rd floor, 11-12 St. James’s Square, London, SW1Y 4LB on 8 January 2019 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolutions 2 and 3 will be proposed as special resolutions:

Unless the context requires otherwise, words and expressions used in this notice have the meanings given to them in the circular to shareholders of the Company dated 13 December 2018 of which this notice forms part.

ORDINARY RESOLUTION

Authority to Allot Shares

1. To generally and unconditionally authorise the board of directors of the Company (the “**Board**”), in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution which would or might require equity securities to be allotted on or after that date, pursuant to and in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:
 - (a) in connection with the Conditional Placing, up to an aggregate nominal amount of £5,110.00 (representing 2,044,000 ordinary shares);
 - (b) in connection with the Open Offer, up to an aggregate nominal amount of £5,024.18 (representing 2,009,673 ordinary shares); and
 - (c) in connection with the allotment of shares in the Company or grant of rights to subscribe for or to convert any security into shares in the Company otherwise than pursuant to the resolutions referred to in paragraphs (a) and (b) above, up to an aggregate nominal amount of £43,768.75 (representing 17,507,500 ordinary shares), or such lesser amount as represents one-third of the Company’s issued ordinary share capital immediately following Second Admission,

and unless revoked, varied or extended by the Company, this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2019 or the close of business on 30 June 2019, whichever is earlier, save that the Company may before such expiry make an offer or enter into an agreement which would or might require shares to be allotted, or rights to subscribe for or to convert securities into shares to be granted, after such expiry and the Board may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

Authority to Disapply Pre-emption Rights

2. That, subject to the passing of resolution 1 above, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash pursuant to the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, provided that such authority to be limited to:
 - (a) in connection with the Conditional Placing, the allotment of equity securities up to an aggregate nominal amount of £5,110.00 (representing 2,044,000 ordinary shares);
 - (b) in connection with the Open Offer, the allotment of equity securities up to an aggregate nominal amount of £5,024.18 (representing 2,009,673 ordinary shares);

- (c) the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (c) of resolution 1, by way of a rights issue only):
- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,
- and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (d) in the case of the authority granted under paragraph (c) of resolution 1 and/or in the case of any sale of treasury shares, the allotment of equity securities or sale of treasury shares (otherwise than under paragraphs (a), (b) and (c) above) up to an aggregate nominal amount of £13,130.63 (representing 5,252,250 ordinary shares), or such lesser amount as represents ten per cent. of the Company's issued ordinary share capital immediately following Second Admission,

and unless renewed varied or revoked by the Company, such authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2019 or on 30 June 2019, whichever is the earlier, save that the Company may before such expiry make an offer or enter into an agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the Board may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Amending Articles of Association

3. THAT with effect from the conclusion of the meeting the articles of association of the Company be amended by deleting article 18.1 and replacing it with the following new article 18.1:

18.1 An annual general meeting shall be called by at least 21 clear days' notice in writing. All other general meetings shall be called by at least 14 clear days' notice in writing. The notice shall specify:

- 18.1.1 if the meeting is an annual general meeting, that the meeting is an annual general meeting;*
- 18.1.2 the day, time and place of the meeting;*
- 18.1.3 the general nature of the business to be transacted;*
- 18.1.4 if the meeting is convened to consider a special resolution, the intention to propose the resolution as such; and*
- 18.1.5 with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him and that a proxy need not also be a member.*

By order of the Board

Marco Ferrari
Company Secretary

Registered office:
3rd Floor
11-12 St. James's Square
London
SW1Y 4LB

Dated: 13 December 2018

IMPORTANT NOTES

The following notes explain your general rights as a shareholder and your right to attend and vote at the meeting or to appoint someone else to vote on your behalf.

1. **Entitlement to attend and vote:** To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 4 January 2019. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

It is the current intention that, in accordance with article 19.10 of the Company's Articles of Association, at the beginning of the meeting the chairman of the meeting will demand a poll on each of the resolutions to be put to the meeting.

On a poll vote every shareholder who is present in person or by proxy or by representative (in the case of a corporate member) has one vote for every share of which he is the holder, proxy or representative. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way.

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names of the shareholders stand in the Register of Members of the Company.

2. **Appointment of proxies:** Members are entitled to appoint a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
3. **Attending in person:** Shareholders, or their proxies, intending to attend the meeting in person are requested, if possible, to arrive at the meeting venue at least 30 minutes prior to the commencement of the meeting at 11.00 a.m. (UK time) on 8 January 2019 so that their shareholding may be checked against the Company's share register and attendances recorded. The return of a completed Form of Proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the meeting and voting in person if he/she wishes to do so.
4. **Dispatch instructions for Form of Proxy:** To be valid, any Form of Proxy and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority) must be returned by no later than 11.00 a.m. (UK time) on 4 January 2019 through any one of the following methods:
 - (i) by post, courier or (during normal business hours only) hand to the Company's UK registrar at: Link Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
 - (ii) electronically through the website of the Company's UK registrar at www.signalshares.com; or
 - (iii) in the case of shares held through CREST, via the CREST system (see note 11 below).
5. **Appointment of proxy electronically:** Shareholders can appoint a proxy electronically up to 11.00 a.m. (UK time) on 4 January 2019 (or, if the meeting is adjourned, 48 hours (excluding non-working days) before the time of the adjourned meeting) either by the shareholder portal at www.signalshares.com or, for CREST holders, via the CREST Network (see note 11 below).
6. **Hard copy Form of Proxy:** In the event that you require a hard copy Form of Proxy posted to you at your registered address, please contact Link Asset Services as follows:
 - (i) **By phone:** UK – 0871 664 0300 calls cost 12p per minute plus your phone company's access charge. From overseas – +44 371 664 0300 calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

- (ii) **By email:** enquiries@linkgroup.co.uk
- (iii) **By post:** Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
7. **Appointment of proxy by joint members:** In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
8. **Nominated persons:** Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in notes 2 and 7 do not apply to Nominated Persons.
9. **Votes withheld and discretionary votes:** A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
10. **Changing proxy instructions:** If you return more than one proxy appointment, either by paper or electronic communication, that appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
11. **Appointment of proxies through CREST:** CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuers' agent (ID RA10) by 11.00 a.m. (UK time) on 4 January 2019 (or, if the meeting is adjourned, 48 hours (excluding non-working days) before the time of the adjourned meeting). For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuers agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

12. **Corporate representatives:** Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that no more than one corporate representative exercises powers in relation to the same shares.
13. **Issued shares and total voting rights:** As at 12 December 2018 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consisted of 44,212,827 ordinary shares, carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at 5 December 2018 are 44,212,827.
14. **Questions at the meeting:** Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. **Communication:** You may not use any electronic address provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
16. **Website giving information regarding the meeting:** A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found on the Company's website at www.directa-plus.com.

