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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

C4X Discovery Holdings plc
(“C4XD”, “C4X Discovery” or the “Company”)

Proposed Placing, Subscription and Open Offer

Advancing the next wave of out-licensing opportunities

24 October 2019 - C4X Discovery Holdings plc (AIM: C4XD), a pioneering Drug Discovery company, today announces a proposed conditional Placing of Placing Shares with existing and new institutional investors and Subscription of Subscription Shares by certain Directors to raise a minimum of approximately £5.5 million in aggregate before expenses at the Issue Price of 15 pence per new Ordinary Share.

The net proceeds of the Placing and Subscription will be used to strengthen its balance sheet as near term and other licensing discussions and strategic collaborations progress, and support working capital during the expansion of its pipeline portfolio.

In addition, in order to provide Eligible Shareholders with an opportunity to participate in the fundraising at the Issue Price, subject to the successful closing of the Placing and Subscription, the Company proposes to make an Open Offer to all Eligible Shareholders to raise additional gross proceeds of up to £1.0 million for the Company. The Open Offer is being made on the basis of 1 Open Offer Share for every 9 Existing Ordinary Shares held by Eligible Shareholders on the Record Date.

The Placing will be conducted by way of an accelerated bookbuilding process (the "Bookbuild") which will be launched immediately following this Announcement in accordance with the terms and conditions set out in Appendix II. The Placing Shares are not being made available to the public. It is envisaged that the Bookbuild will be closed no later than 4.30 p.m. GMT today, 24 October 2019. Details of the number of Placing Shares and Subscription Shares and the approximate gross proceeds of the Placing and Subscription will be announced as soon as practicable after the closing of the Bookbuild. The Placing and Subscription is not underwritten.

The Placing, Subscription and Open Offer is conditional upon, *inter alia*:

- the passing of the Resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the New Ordinary Shares;
- admission of the New Ordinary Shares to trading on AIM becoming effective; and the Placing and Open Offer Agreement between the Company and Panmure Gordon not having been terminated.

For the avoidance of doubt, the Placing and Subscription is not conditional on the Open Offer.

A General Meeting is therefore being convened for the purpose of considering the Resolutions at 11.00 a.m. on 13 November 2019 at the offices of Panmure Gordon, One New Change, London EC4M 9AF.

The terms and conditions of the Open Offer will be set out in the Circular. The Open Offer is not underwritten. It is expected that the Circular will be dispatched on or around 25 October 2019 and will also be available at this time on the Company's website at www.c4xdiscovery.com.

The expected timetable of the principal events is set out in Appendix IV.

Panmure Gordon (UK) Limited is acting as Nominated Adviser and sole Bookrunner to the Company and no one else in relation to the Placing. Accordingly, it will not be responsible to any person other than the Company for providing the regulatory and legal protections afforded to its clients nor for providing advice in relation to the contents of this Announcement or any matter, transaction or arrangement referred to in it.

Further information about the Company, the proposed Placing, Subscription and Open Offer is set out in Appendix I. The capitalised terms not otherwise defined in the text of this Announcement are defined in Appendix III.

Clive Dix, CEO of C4X Discovery, stated on the proposed Placing and Subscription: *“C4XD’s combination of state-of-the-art proprietary technologies, highly experienced scientific team, and industry experience puts the Company in a strong position to fulfil the pharmaceutical industry’s demand for high quality early-stage drug candidates. As momentum continues to build across our key out-licensing projects, we remain confident in our business strategy as partner discussions to date have confirmed commercial interest for our NRF-2 programme for Sickle Cell Disease, alongside our already out-licensed Orexin-1 programme progressing to clinical studies with Indivior. We are excited by our future prospects as we continue to drive value from revenue generating deals and building a sustainable Drug Discovery company.”*

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 (MAR).

For further information, please contact:

C4X Discovery Holdings plc

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About C4X Discovery

C4X Discovery (C4XD) aims to create the world's most productive Drug Discovery engine by using cutting-edge technologies and expertise to efficiently deliver best-in-class small-molecule medicines to clinical partners for the benefit of patients. The Company's business model focuses on replenishing big pharma discovery pipelines and driving returns through revenue generating pre-clinical licensing deals. In 2018, C4XD successfully out-licensed a pre-clinical programme in addictive disorders to Indivior in a deal worth up to \$294 million.

C4XD has a state-of-the-art suite of proprietary technologies across the Drug Discovery process and accesses further innovative capabilities and expertise through its growing network of partners. The Company is actively advancing its diverse pre-clinical discovery portfolio which is focused on inflammation, neurodegeneration and oncology (including immuno-oncology). Opportunities to maximise value from the portfolio are proactively driven by C4XD's commercial division. The Company is led by a highly experienced management team and Board who have delivered significant value creation within the healthcare sector.

For additional information please go to: www.c4xdiscovery.com

IMPORTANT NOTICES

This Announcement has been issued by, and is the sole responsibility of, the Company.

The appendices to this Announcement set out the terms and conditions of the Placing.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety (including the appendices) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties and acknowledgements contained in the appendices.

Members of the public are not eligible to take part in the Placing and no public offering of securities will be made.

The content of this Announcement has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (as amended).

This Announcement is for information purposes only and is directed only at: (a) persons in member states of the European Economic Area who are qualified investors ("**qualified investors**") as defined in Article (2)(e) of Regulation EU/2017/1129 (the "**Prospectus Regulation**"); and (b) in the United Kingdom, qualified investors who are persons (1) who have professional experience in matters relating to investments falling within Article 19(1) (Investment Professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "**Order**"); (2) falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations, etc.) of the Order; or (3) other persons to whom it may otherwise lawfully be communicated without being accompanied by any further statements and/or warnings required by the Order and not included in this Announcement (all such persons together being referred to as "**Relevant Persons**").

This Announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement or the Placing relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. As regards all persons other than Relevant Persons, the details of the Placing set out in this Announcement are for information purposes only.

Panmure Gordon (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority (the "**FCA**"), is acting as Nominated Adviser and broker to the Company for the purposes of the AIM Rules for Companies and the AIM Rules for Nominated Advisers in connection with the Placing and is not acting for, and will not be responsible to, any person other than the Company for providing the protections afforded to customers of Panmure Gordon (UK) Limited or for advising any other person on any transaction or arrangement referred to in this Announcement.

This Announcement may not be published, distributed, forwarded or transmitted directly or indirectly, in whole or in part, in or into the United States. These materials do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

The New Ordinary Shares described in this Announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The New Ordinary Shares are being offered only outside of the United States in reliance on Regulation S under the US Securities Act.

Furthermore, the New Ordinary Shares have not been and will not be registered under the applicable laws of any of Canada, Australia, Japan, the Republic of South Africa, New Zealand or of any other jurisdiction where to do so would be unlawful and, consequently, may not be offered or sold to any national, resident or citizen thereof. The distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any person who is subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

FORWARD-LOOKING STATEMENTS

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial

condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "predict" or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the planned use of the proceeds of the Placing and Open Offer, the liquidity position of the Company and its subsidiaries ("the **Group**"), the future performance of the Group, future foreign exchange rates, interest rates and currency controls, the future political and fiscal regimes in the overseas markets in which the Group operates, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("**IFRS**") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgement at the date of this Announcement and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the AIM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The person responsible for arranging the release of this Announcement on behalf of the Company is Bradley Richard Hoy, a director of the Company.

APPENDIX I THE PLACING

Background to the proposed Capital Raising

The Company aims to become the world's most productive Drug Discovery engine by exploiting its cutting-edge proprietary technologies to design and create best-in-class small-molecule candidates targeting a range of high value therapeutic areas. The Company's goal is to drive returns through early-stage revenue-generating licensing deals for its high value pre-clinical asset portfolio with the pharmaceutical industry.

Pharmaceutical companies' research and development pipelines are, and will continue to be, heavily reliant on in-licensing candidates from the biotechnology sector. However, historically, biotech companies have struggled to sustainably produce a source of high-quality assets – it is the Directors belief that a new, disruptive and sustainable approach to discovery is needed. There is a significant opportunity to provide pharmaceutical companies with a sustainable source of commercially attractive assets at an earlier stage in the research and development process through both pre-clinical asset out-licensing and revenue-generating R&D partnership deals.

To achieve its goal, C4XD aims to lead the world in revolutionising Drug Discovery by combining innovative discovery technologies with a proactive commercialisation capability. C4XD aims to provide a highly valuable and differentiated approach to Drug Discovery through its enhanced DNA-based target identification and candidate molecule generation capabilities, generating differentiated candidates across multiple disease areas. The Directors believe that C4XD has a state-of-the-art suite of proprietary technologies across the Drug Discovery process. The Company's innovative DNA-based target identification platform (Taxonomy3[®]) utilises human genetic datasets to identify novel patient-specific targets leading to greater discovery productivity and increased probability of clinical success. This is complemented by C4XD's novel drug design platform, which comprises two innovative chemistry technologies, Conformetrix and Molplex, that combine 4D molecular shape analyses (based on experimental data) with best-in-class computational chemistry. Through the Company's collaborations, the Company also has access to a number of additional platforms such as Phoremot's SITESEEKER[®] screening platform. The Directors believe the Company's technology platforms and collaborations provide new and unprecedented insight into the behaviour of drug molecules, enabling the production of effective, differentiated molecules with the potential to provide significant impact to patients in therapeutic areas with the greatest clinical unmet need.

C4XD completed their first licensing deal in March 2018 with Indivior UK Limited ("**Indivior**") to further develop and commercialise C4XD's oral Orexin-1 receptor antagonist ("**C4X3256**") for the treatment of addiction. The Directors believe this licensing agreement validates C4XD's business model and the Drug Discovery engine that the Company has built. Under the terms of the agreement, C4XD received an upfront payment of US\$10 million and could receive up to US\$284 million of potential development, regulatory and commercialisation milestones in addition to royalties. In turn, Indivior received a global and exclusive licence to C4X3256 and all other compounds in the same patent family and is responsible for the cost and execution of all further development of C4X3256. The agreement covers the development of Orexin-1 antagonists for multiple indications. In September 2019, Indivior announced that it had been awarded a NIH HEAL grant for the application entitled "*Clinical Evaluation*

of C4X3256, a Non-Opioid, Highly-Selective Orexin-1 Receptor Antagonist for the Treatment of Opioid Use Disorder”, providing funding for key Phase I and Phase II enabling studies.

C4XD is building a balanced pipeline across high unmet need therapeutic areas, with C4XD’s in-house pipeline primarily focused on the high value areas of inflammation, neurodegeneration and oncology (including immuno-oncology). At present, C4XD’s pre-clinical portfolio contains 11 Drug Discovery programmes, alongside multiple early-stage target assessments arising from the Company’s proprietary technology and collaborations (e.g. collaboration with Horizon Discovery plc).

The Company will continue to advance its in-house proprietary discovery capabilities and access an expanding network of strategic collaborators to accelerate its portfolio growth. To support these activities, C4XD announced in September 2019 that it had engaged Robin Carr, a renowned industry veteran who has worked at GSK and Astex, to form and head the C4XD Drug Discovery Advisory Network to bring together small molecule Drug Discovery and development experts from across the globe.

Opportunities to commercialise C4XD’s high-value pre-clinical portfolio will continuously be sought as the Company expands its capabilities and network, driven by C4XD’s proactive commercial team.

The Directors intend to drive long-term shareholder value by strategically re-investing future licensing deal revenue into the Company’s discovery engine.

Reasons for the Capital Raising

The next stage of C4XD’s development will focus on accelerating its Drug Discovery engine and growing its pipeline of discovery programmes and out-license assets for clinical development to leading pharma companies. To support the Company’s execution of its strategy, C4XD is seeking to raise a minimum of approximately £5.5 million by way of the Placing and Subscription and up to £1.0 million pursuant to the Open Offer to further support corporate development and on-going commercial activities. In particular, the Company intends to use the net proceeds of the Placing, Subscription and Open Offer for:

- Strengthening its balance sheet as near term and other licensing discussions and strategic collaborations progress; and
- Supporting working capital during the expansion of its pipeline portfolio.

Current trading

On 30 April 2019, C4XD announced its interim results for the six months ended 31 January 2019. Investment in R&D was £4.9 million in the six months ending 31 January 2019, up £1.5 million from the £3.4 million in the six months ended 31 January 2018 reflecting progress across the portfolio. Cash, cash equivalents, short-term investments and deposits were £9.2 million at 31 January 2019 in comparison to 31 July 2018 which was £5.6 million and 31 January 2018 which was £1.4 million. C4XD assets as at 31 January 2019 were £12.8 million as opposed to 31 July 2018 which were £8.2 million and 31 January 2018 which were £5.5 million.

In November 2018, C4XD announced that it had entered into a Drug Discovery partnership with GTN, a disruptive new player in the field of Drug Discovery artificial intelligence (“AI”), initially focusing on

identifying potential small molecule hits against a high-value neurodegeneration target, adding another commercially attractive programme to C4XD's portfolio.

In November 2018, C4XD announced that it had entered into a discovery partnership with LifeArc®, one of the UK's leading medical research charities. C4XD and LifeArc will collaborate to progress medicinal chemistry efforts on a novel, commercially attractive programme with applicability across oncology and inflammation indications. The initial phase of the collaboration with LifeArc has been successful. In initial studies, multiple hit compounds have progressed with the aim of generating a lead series with *in vivo* activity for oncology and inflammatory indications by Q2 2020. The Directors believe that significant industry activity from multiple pharmaceutical companies for the target of interest at recent scientific meetings supports the ongoing partnering potential of this programme.

In December 2018, C4XD announced that it had entered into an exclusive target discovery partnership with Horizon, a global leader in the application of gene editing and gene modulation technologies. Through the partnership, C4XD has exclusive option rights to approximately 20 novel synthetic lethal targets that have been identified by Horizon's cutting-edge CRISPR-Cas9 technology, with the potential to lead to the generation of new drugs for patients with limited effective treatments in indications such as colorectal and lung cancer. The collaboration has made rapid progress and has now generated comprehensive *in vitro* validation data packages for the lead novel target in the collaboration. *In vitro* studies have confirmed that inhibition of this target induces cell death that is dependent on the presence of cancer-specific mutations, thereby demonstrating synthetic lethality. Additional *in vivo* studies have shown that knock out of the gene inhibits growth of implanted colon cancer cells with a KRAS mutant background. As an enzyme, the target is expected to be highly amenable to targeting with small molecules and is nearing progression into C4XD-led Drug Discovery programmes, with additional targets to follow the development pathway. Validation of other remaining targets will continue.

As announced on 1 October 2019, the Company continues to progress the validation of its proprietary Taxonomy3®-derived novel targets for Parkinson's Disease, utilising a diversified strategic approach. C4XD's internally led biological validation studies are near completion for targets with existing tool compounds. This provides a low risk starting point from which to rapidly initiate Drug Discovery programmes for promising targets with some known chemistry and biology. For example, the Phoremest collaboration initiated in June 2019 uses Phoremest's SITESEEKER® platform to generate biological validation across the Taxonomy3® target set, as well as providing chemical starting points for highly novel Taxonomy® targets without existing chemistry in the literature. This enables the progression of more challenging, but high potential targets. The e-therapeutics collaboration has identified additional novel biological pathways derived from Taxonomy3®'s novel genes which are currently being evaluated to identify additional targets with the potential to start new Drug Discovery programmes.

In October 2019, the Company announced an update on the oral IL-17 inhibitor programme. C4XD has identified small molecules that can selectively block IL-17 activity whilst keeping molecular size of the molecule in the traditional "drug-like" range. In C4XD studies, optimisation of lead oral compounds continues to achieve effective drug concentration in the blood. Based on recent industry disclosures this level of drug concentration is predicted to be efficacious in pre-clinical inflammatory models. C4XD continues to receive strong interest from potential partners for this high value target,

particularly driven by the C4XD series profiles. The Company is now aiming to generate a lead molecule to examine in disease efficacy models.

Finally, in October 2019, the Company also announced an update on the oral NRF-2 activator programme. C4XD is progressing a series of novel potent activators of the NRF-2 pathway for the treatment of inflammatory diseases. In C4XD studies, multiple lead compounds show less than a 12 hour duration of action following low oral dosing on activation of NRF-2 in key tissues such as the lung, the liver and in blood. Early partnering discussions led to partner studies demonstrating efficacy of compounds in disease-relevant models which resulted in compelling data for the use of NRF-2 activation in Sickle Cell Disease (SCD). NRF-2 activators are shown to directly increase foetal haemoglobin and reduce oxidative stress and inflammation, with significant potential for the treatment of haemolysis-related complications in SCD. The Board believes that upcoming enhanced C4XD data packages will be valuable in driving a competitive out-licensing process focused on SCD. Pre-candidate nomination studies are now currently underway with candidate selection anticipated for Q1 2020.

C4XD also continues to progress its Drug Discovery programmes against two key therapeutic targets identified for the treatment of cancer in the immuno-oncology space, both of which have been advanced within C4XD's multi-target, risk-sharing alliance with Evotec AG ("**Evotec**") (announced in September 2016). In Q2 2019, the Company reached a key milestone in its lead programme by designing small molecules with differentiated administration compared to lead competition and is now targeting progression of hits to a tractable lead series whilst engaging in exploratory discussions with potential partners.

Outlook

The Directors believe that C4XD's combination of state-of-the-art proprietary technologies, highly experienced scientific team, and industry experience puts the Company in a strong position to fulfil the pharmaceutical industry's demand for high quality early-stage drug candidates. By ensuring clear line of sight to commercialisation at the outset, the Company now aims to build on its existing licence with Indivior to generate a stream of other potentially high-value partnering opportunities and revenue generating R&D partnerships. The Company remains confident about the Company's opportunities and the future of UK drug discovery.

For illustrative purposes only, taking into account potential milestones from select potential asset out-licensing opportunities (NRF-2 activator, IL-17 inhibitor, LifeArc (Inflammation and Oncology target) and Evotec oncology target) and potential revenue generating R&D partnerships (in particular in connection with Taxonomy3 in a new disease area and Parkinson's disease and a Horizon synthetic lethal oncology project), the Company believes that the Company's total revenue in the next 3 years from these specific opportunities could be in the region of £65 million to £100 million with potential lifetime revenue of approximately £2 billion. **These revenue opportunities are subject to significant uncertainty. They are benchmarked against precedent deals or existing deal financial terms, if available, and comparators that the Company believe are appropriate, and assume that all assets mentioned in this paragraph deliver a commercial deal.**

The Directors believe the proposed Placing, Subscription and Open Offer will provide at least 12 months working capital for the Group. In line with the Group's growth ambitions and strategy to grow

the Group's pipeline to generate more licensing opportunities, the Group will continue to explore additional funding opportunities which may include additional equity raises.

Details of the Placing, Subscription and Open Offer

The Placing and Subscription

The Company proposes to raise a minimum of approximately £5.5 million (before expenses) by way of a conditional, non-pre emptive Placing and Subscription at the Issue Price. The Placing Shares will, pursuant to the Placing and Open Offer Agreement, be placed by Panmure Gordon, as agent for the Company, with institutional and other professional investors. The Company has conditionally agreed to issue the Subscription Shares at the Issue Price to certain Directors pursuant to the Subscription.

Certain of the Placing Shares (the "**EIS/VCT Shares**") will be offered to VCTs and to those investors seeking to claim EIS relief in relation to their investment. The remaining Placing Shares (the "**General Placing Shares**") will be offered to those investors who are neither seeking EIS relief nor are VCTs.

EIS and VCT investors should note that it is intended that Admission of the EIS/VCT Shares (expected to be on 14 November 2019 ("**First Admission**")) will occur on the Business Day immediately before Admission of the General Placing Shares (expected to be on 15 November 2019 ("**Second Admission**")). The placing of the EIS/VCT Shares is conditional, amongst other things, on the Placing and Open Offer Agreement not having been terminated in accordance with its terms prior to First Admission. The placing of the General Placing Shares is conditional, amongst other things, on the Placing and Open Offer Agreement not having been terminated in accordance with its terms prior to Second Admission.

The Placing Shares will be issued credited as fully paid and will, on issue, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions thereafter declared, made or paid on the Enlarged Share Capital.

The Placing and Open Offer Agreement contains provisions entitling Panmure Gordon to terminate the Placing and Open Offer Agreement prior to First Admission (in respect of the EIS/VCT Shares) or Second Admission (in respect of the General Placing Shares, the Subscription Shares and the Open Offer Shares) becoming effective. If this right is exercised, the Placing will lapse (but not in respect of the EIS/VCT Shares if First Admission has occurred at that time).

The Issue Price represents a discount of approximately 63 per cent. to the closing mid-market price of the Ordinary Shares of 40.5 pence on 23 October 2019 (being the last practicable dealing day prior to the date of the Circular). The Placing Shares will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Second Admission. Applications will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the EIS/VCT Shares will commence on 14 November 2019 and dealings in the General Placing Shares and the Subscription Shares will commence on 15 November 2019.

The Placing and Subscription are not being underwritten and are not subject to clawback. The Placing Shares and Subscription Shares are not part of the Open Offer and are not conditional on the Open Offer.

The Placing and Open Offer Agreement is conditional upon, *inter alia*, the approval of the Resolutions by Shareholders at the General Meeting (further details of which are set out below), First Admission occurring on or before 8.00 a.m. on 14 November 2019 (or such later date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 29 November 2019), Second Admission occurring on or before 8.00 a.m. on 15 November 2019 (or such later date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 2 December 2019), and the Placing and Open Offer Agreement not having been terminated prior to First Admission or Second Admission (as the case may be).

The Placing and Open Offer Agreement contains warranties from the Company in favour of Panmure Gordon in relation to (amongst other things) the Company and its business. In addition, the Company has agreed to indemnify Panmure Gordon in relation to certain liabilities it may incur in undertaking the Placing. Panmure Gordon has the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a material breach of any of the warranties or for *force majeure*.

The Subscription is conditional, *inter alia*, upon, the Placing and Open Offer Agreement being entered into, becoming unconditional in all respects (save in respect of Admission) and not having been terminated in accordance with its terms prior to Admission by no later than 8:00 a.m. (UK time) on 15 November 2019 or such later date as Panmure Gordon and the Company may agree (being not later than 8:00 a.m. (UK time) on 2 December 2019).

The Open Offer

In addition to the Placing and the Subscription, the Company is proposing to raise up to approximately £1.0 million before expenses by the issue of up to 6,421,404 Open Offer Shares under the Open Offer at the Issue Price, payable in full on acceptance. Any entitlements to Open Offer Shares not subscribed for by Eligible Shareholders will be available to Eligible Shareholders under the Excess Application Facility. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to the Placees under the Placing or the Subscription.

The terms and conditions of the Open Offer are set out in this Circular. The Open Offer is not underwritten.

EIS and VCT Advance Assurance

The Company received advance assurance on 19 September 2019 from HMRC that it is a qualifying company for the purposes of the Enterprise Investment Scheme ("**EIS Advance Assurance**"). Accordingly, the Company expects HMRC to authorise the Company to issue compliance certificates under section 204(1), ITA 2007 in respect of the EIS Shares to be issued, following receipt of a form EIS1 satisfactorily completed following the issue of shares to investors seeking EIS Relief for their investment. 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 Directors believe that the EIS Shares and VCT Shares should be eligible (subject to the circumstances of investors) for tax reliefs under EIS and as a qualifying holder for VCTs. The Directors are not aware of any subsequent change in the qualifying conditions or the Company's circumstances that would prevent the EIS Shares and VCT Shares from being eligible VCT and EIS investments on this

occasion. However, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in EIS Shares or VCT Shares pursuant to the Circular or the Placing, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

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.

Directors' Participation

Certain Directors in the Company intend to subscribe for Subscription Shares in connection with the Capital Raising. The number of Subscription Shares the Directors intend to subscribe for pursuant to the Capital Raising, and their resulting shareholdings on Admission, are set out below:

<i>Shareholder</i>	<i>Number of Subscription Shares intended to be subscribed for</i>
Clive Dix	133,333
Natalie Walter	66,666

General Meeting

The Company will be seeking specific authorities from Shareholders to allot the New Ordinary Shares proposed to be issued in respect of the Placing, the Subscription and the Open Offer by way of the Resolutions that will be proposed at the General Meeting.

APPENDIX II TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES PROCURED BY PANMURE GORDON (UK) LIMITED ONLY.

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES AND THE INFORMATION CONTAINED HEREIN (TOGETHER THE "ANNOUNCEMENT") IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, CANADA, AUSTRALIA, JAPAN, THE REPUBLIC OF SOUTH AFRICA, NEW ZEALAND OR ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL. THE DISTRIBUTION OF THIS

ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES ARE REQUIRED BY THE COMPANY AND PANMURE GORDON TO INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED AT, AND ARE ONLY BEING DISTRIBUTED TO: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS", AS DEFINED IN ARTICLE 2(E) OF THE PROSPECTUS REGULATION (REGULATION EU/2017/1129) (THE "PROSPECTUS REGULATION"), (B) IF IN THE UNITED KINGDOM, PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER") OR FALL WITHIN THE DEFINITION OF "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC" IN ARTICLE 49(2)(A) TO (D) OF THE ORDER; AND (II) ARE "QUALIFIED INVESTORS" AS DEFINED IN SECTION 86 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("FSMA") OR (C) PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS A "RELEVANT PERSON"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. BY ACCEPTING THE TERMS OF THIS ANNOUNCEMENT, YOU REPRESENT AND AGREE THAT YOU ARE A RELEVANT PERSON.

DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED OR PROHIBITED BY LAW OR REGULATION. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN RELIANCE ON, REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES LAWS AND REGULATIONS OF AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR NEW ZEALAND, AND MAY NOT BE OFFERED, SOLD, RESOLD, OR DELIVERED, DIRECTLY OR INDIRECTLY,

WITHIN AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR NEW ZEALAND, OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION.

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

Information to distributors

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

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore it is noted that, notwithstanding the Target Market Assessment, Panmure Gordon will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

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

Persons who are invited to and who choose to participate in the Placing, by making an oral and legally binding offer to acquire Placing Shares, will be deemed to have read and understood this Announcement, including this Appendix, in its entirety, and to be participating and making such an offer to acquire Placing Shares on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings contained in this Appendix.

Unless otherwise stated, defined terms used in this Appendix have the meaning set out at the end of this Appendix.

In this Appendix, unless the context otherwise requires, “Placee” means a Relevant Person (including individuals, funds or others) by whom or on whose behalf a commitment to take up Placing Shares has been given and who has been invited to participate in the Placing by Panmure Gordon.

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

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. it is acquiring the Placing Shares for its own account or it is acquiring the Placing Shares for an account with respect to which it has authority to exercise, and is exercising, investment discretion and has authority to make and does make the representations, warranties, indemnities, acknowledgments, undertakings and agreements contained in this Announcement;
3. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
4. if it is a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of securities to the public other than an offer or resale to Qualified Investors in a member state of the EEA which has implemented the Prospectus Regulation, or in circumstances in which the prior consent of Panmure Gordon has been given and to each such proposed offer or resale.

Timetable for the Placing

Various dates referred to in this Announcement are stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed. To facilitate the application for VCT or EIS relief in respect of the EIS/VCT Shares, such shares will be allotted on First Admission, subject, *inter alia*, to the Resolutions being approved at the General Meeting. It is expected that (i) the EIS/VCT Shares will be allotted, conditional upon, *inter alia*, First Admission becoming effective on 14 November 2019; (ii) the General Placing Shares will be allotted, conditional upon, *inter alia*, Second Admission becoming effective on 15 November 2019.

Details of the Placing, the Placing and Open Offer Agreement and the Placing Shares

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Panmure Gordon and the Company have entered into the Placing and Open Offer Agreement under which, subject to the conditions set out in that agreement, Panmure Gordon has agreed on behalf of and as agent for the Company to use its reasonable endeavours to procure subscribers who will (subject to the satisfaction or (where capable of waiver) waiver of the conditions contained in the Placing and Open Offer Agreement) subscribe for the Placing Shares at the Issue Price.

The Placing is conditional upon the Placing and Open Offer Agreement becoming unconditional in all respects.

Applications will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. First Admission and Second Admission are each conditional upon, amongst other things, the relevant conditions in the Placing and Open Offer Agreement being satisfied and the Placing and Open Offer Agreement not having been terminated in accordance with its terms. It is expected that the EIS/VCT Shares will be allotted, conditional upon, *inter alia*, First Admission becoming

effective and dealings in the EIS/VCT Shares commencing on AIM at 8.00 a.m. on 14 November 2019. It is expected that the General Placing Shares will be allotted, conditional upon, *inter alia*, Second Admission becoming effective and dealings in the General Placing Shares commencing on AIM at 8.00 a.m. on 15 November 2019.

The Placing Shares will, when issued, be subject to the articles of association of the Company, be credited as fully paid and will on Admission rank in full for all dividends and other distributions declared, paid or made after Admission in respect of the Ordinary Shares and otherwise *pari passu* in all respects with the Existing Ordinary Shares.

Lock up

As part of the Placing, the Company has agreed, subject to certain customary exceptions, that it will not issue or sell any Ordinary Shares for a period of 180 days after Second Admission without the prior written consent of Panmure Gordon.

Bookbuild

Panmure Gordon will today commence an accelerated bookbuilding process (the “**Bookbuild**”) to determine demand for participation in the Placing by potential Placees. The Bookbuild is expected to close at or before 4.30 p.m. today. The number of Placing Shares to be issued will be agreed between Panmure Gordon and the Company following completion of the Bookbuild. The Company will then release an announcement through the London Stock Exchange’s Regulatory Information Service confirming the number of Placing Shares to be issued and the amount to be raised under the Placing.

Participation in, and principal terms of, the Placing

Panmure Gordon is arranging the Placing within the UK as agent for and on behalf of the Company. Participation in the Placing will only be available to Placees who may lawfully be, and are, invited to participate by Panmure Gordon.

Panmure Gordon will determine in its absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee. No element of the Placing will be underwritten. A Placee’s commitment to acquire a fixed number of Placing Shares under the Placing will be agreed orally with Panmure Gordon as agent of the Company (“**Confirmation**”).

Confirmation will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) to subscribe for the number of Placing Shares allocated to it at the Issue Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association. For the avoidance of doubt, the Confirmation constitutes each Placee's irrevocable legally binding agreement, subject to the Placing and Open Offer Agreement not having been terminated, to pay the aggregate settlement amount for the Placing Shares to be subscribed for by that Placee regardless of the total number of Placing Shares (if any) subscribed for by any other investor(s).

Panmure Gordon reserves the right to scale back the number of Placing Shares to be subscribed by any Placee in the event of an oversubscription under the Placing. Panmure Gordon also reserves the right not to accept offers for Placing Shares or to accept such offers in part rather than in whole.

Each Placee will be required to pay to Panmure Gordon, on the Company's behalf, the Issue Price for each Placing Share agreed to be acquired by it under the Placing in accordance with the terms set out herein. Each Placee's obligation to acquire and pay for Placing Shares under the Placing will be owed to Panmure Gordon and the Company. Each Placee has an immediate, separate, irrevocable and

binding obligation, owed to Panmure Gordon, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to subscribe for.

The price of securities and income from them may go down as well as up and investors may not get back the full amount on disposal of the securities. Panmure Gordon and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion determine.

Save in the event of fraud on its part (and to the fullest extent permitted by law and applicable rules of the FCA (the "**FCA Rules**")), none of (i) Panmure Gordon, (ii) any of its directors, officers, employees or consultants, or (iii) to the extent not contained within (i) or (ii), any person connected with Panmure Gordon as defined in the FCA Rules ((i), (ii) and (iii) being together "**affiliates**" and individually an "**affiliate**"), shall have any liability to any Placee or to any person (whether acting on behalf of a Placee or otherwise) other than the Company in respect of the Placing or in respect of its conduct of the Bookbuild or of any alternative method that they may adopt for carrying out the Placing, and where any such liability nevertheless arises as a matter of law, each Placee shall immediately waive any claim which it may have against any affiliate in respect thereof.

Any indication in this Announcement of the price at which Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Irrespective of the time at which a Placee's participation in the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under 'Registration and Settlement'.

Completion of the Placing will be subject to the fulfilment of the conditions referred to below under 'Conditions of the Placing' and to the Placing not being terminated on the basis referred to below under 'Termination of the Placing and Open Offer Agreement'. In the event that the Placing and Open Offer Agreement is not entered into or does not otherwise become unconditional in any respect or, after having been entered into, is terminated, the Placing will not proceed and all funds delivered by the Placee to Panmure Gordon in respect of the Placee's participation will be returned to the Placee at the Placee's risk without interest.

By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not otherwise be capable of rescission or termination by the Placee.

By participating in the Placing, each Placee will be deemed to have read and understood this Announcement, including the Appendices, in their entirety and to be participating in the Placing upon the terms and conditions contained in this Appendix, and to be providing the representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this Appendix.

Conditions of the placing of the EIS/VCT Shares

The placing of the EIS/VCT Shares will be conditional, *inter alia*, on:

- i. the passing of the Resolutions to be proposed at the General Meeting;

- ii. the funds in respect of the Subscription Participation having been received by the Company prior to First Admission
- iii. First Admission having become effective in accordance with the AIM Rules by no later than 8.00 a.m. on 14 November 2019 (or such other time and/or date as may be agreed between the Company and Panmure Gordon, not being later than 8:00 a.m. on 29 November 2019 (the **“First Long Stop Date”**));
- iv. the Company having complied with its obligations under the Placing and Open Offer Agreement to the extent that the same fall to be performed prior to First Admission; and
- v. the satisfaction or, where capable of waiver, the waiver of certain other conditions set out in the Placing and Open Offer Agreement in respect of the placing of the EIS/VCT Shares, provided that the extended time for satisfaction shall not be extended beyond 8.00 a.m. on the First Long Stop Date.

Conditions of the placing of the General Placing Shares

The placing of the General Placing Shares will be conditional, *inter alia*, on:

- i. the passing of the Resolutions to be proposed at the General Meeting;
- ii. the funds in respect of the Subscription Participation having been received by the Company prior to First Admission
- iii. First Admission having occurred;
- vi. Second Admission having become effective in accordance with the AIM Rules by no later than 8.00 a.m. on 15 November 2019 (or such other time and/or date as may be agreed between the Company and Panmure Gordon, not being later than 8:00 a.m. on 2 December 2019 (the **“Second Long Stop Date”**));
- iv. the Company having complied with its obligations under the Placing and Open Offer Agreement to the extent that the same fall to be performed prior to Second Admission; and
- v. the satisfaction or, where capable of waiver, the waiver of certain other conditions set out in the Placing and Open Offer Agreement in respect of the placing of the General Placing Shares, provided that the extended time for satisfaction shall not be extended beyond 8.00 a.m. on the Second Long Stop Date.

If any of the conditions contained in the Placing and Open Offer Agreement are not satisfied (or waived if capable of waiver) or have become incapable of being satisfied on or before the First Long Stop Date, the Placee's rights and obligations under the Placing shall cease and determine at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. In the event that any of the conditions in respect of Second Admission are not satisfied (or waived) or have become incapable of being satisfied on or before the Second Long Stop Date, to the extent the EIS/VCT Shares have been allotted and issued to Placees, and the Placing and Open Offer Agreement is terminated after First Admission but prior to Second admission, then the rights and obligations of the relevant Placees in respect of First Admission will survive termination of the Placing and Open Offer Agreement, but the relevant Placee's rights and obligations in respect of Second Admission shall cease and determine at such time.

Each Placee (whether in respect of First Admission or Second Admission) agrees that no claim can be made by the Placee in respect thereof. All obligations assumed by the Placee under the terms and conditions of the Placing are given to Panmure Gordon in its capacity as agent for the Company and are therefore directly enforceable by the Company.

The placing of the EIS/VCT Shares is not conditional on the issue of the General Placing Shares and Open Offer Shares and Second Admission. Consequently if, following the issue of the EIS/VCT Shares, the conditions relating to the issue of the General Placing Shares and the Open Offer Shares are not

satisfied, or the Placing and Open Offer Agreement is terminated in accordance with its terms, the General Placing Shares and the Open Offer Shares will not be issued and the Company will not receive the related placing monies.

On the assumption that the conditions set out in the Placing and Open Offer Agreement in respect of each of the First Admission and Second Admission are satisfied (or waived) and that the Placing and Open Offer Agreement does not lapse and is not terminated in accordance with its terms on or prior to the First Long Stop Date or the Second Long Stop Date (as the case may be), each Placee will be required to pay to Panmure Gordon, on the Company's behalf, the Issue Price for each Placing Share agreed to be acquired by it under the Placing in accordance with the terms set out herein. Each Placee's obligation to acquire and pay for Placing Shares under the Placing will be owed to Panmure Gordon and the Company. Each Placee has an immediate, separate, irrevocable and binding obligation, owed to Panmure Gordon, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to subscribe. Each Placee will be deemed to have read and understood this Appendix in its entirety; to be participating in the Placing upon the terms and conditions contained in this Appendix; and to be providing the confirmations, representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this Appendix.

By accepting Placing Shares, each Placee irrevocably agrees that: (i) the Company and Panmure Gordon may jointly, in their absolute discretion, exercise the right to extend the time for fulfilment of any of the conditions to the Placing and Open Offer Agreement expressed to be capable of waiver or extension (provided that such extension will not extend later than either the First Long Stop Date in respect of First Admission, and the Second Long Stop Date in respect of Second Admission); and (ii) that Panmure Gordon may waive, in whole or in part, and where capable of waiver, fulfilment of certain of the conditions to the Placing and Open Offer Agreement and may terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission, in each case without consulting with any Placee. Any such extension or waiver will not affect the Placees' commitments. If there is any change to the timetable Placees will be notified at the first practicable opportunity.

Right to terminate under the Placing and Open Offer Agreement

The Placing and Open Offer Agreement contains certain undertakings and warranties given by the Company for the benefit of Panmure Gordon and indemnities given by the Company relating to certain potential liabilities of Panmure Gordon. In addition, Panmure Gordon has certain rights to terminate the Placing and Open Offer Agreement at any time prior to First Admission and prior to Second Admission, *inter alia*, in the event of a breach of warranty or an event of force majeure that is material in the context of the Placing. In the event that Panmure Gordon exercises these rights after First Admission but before Second Admission, all obligations and liabilities owed by the Placees whose shares have been admitted at First Admission will survive termination of the Placing and Open Offer Agreement and any monies received from the relevant Placees will not be returned to them.

By participating in the Placing, Placees agree that the exercise by Panmure Gordon of any right of termination or other discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of Panmure Gordon and that Panmure Gordon need not make any reference to Placees and that they shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No prospectus

No offering document, prospectus or admission document has been or will be submitted to or be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing and Placees'

commitments will be made solely on the basis of the information contained in this Announcement (including the appendices) released by the Company today, and subject to the further terms set forth in the Contract Note (as defined below) to be provided by Panmure Gordon to individual prospective Placees.

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including the appendices) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company, Panmure Gordon or any other person. None of the Company, Panmure Gordon, any of their respective officers, directors or employees, or any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the EIS/VCT Shares following First Admission, and the General Placing Shares following Second Admission will take place within the system administered by CREST, subject to certain exceptions. The Company reserves the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form if Panmure Gordon in its absolute discretion considers this to be necessary or desirable.

Participation in the Placing is only available to persons who are invited to participate in it by Panmure Gordon.

A Placee's commitment to acquire a fixed number of Placing Shares under the Placing will be agreed orally with Panmure Gordon. Such agreement will constitute a legally binding commitment on such Placee's part to acquire that number of Placing Shares at the Issue Price on the terms and conditions set out or referred to in this Appendix and subject to the Company's articles of association.

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to Panmure Gordon and settlement instructions (the "**Contract Note**").

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with Panmure Gordon. Settlement will be through Panmure Gordon against CREST participant account: 83801. For the avoidance of doubt, Placing allocations will be booked with a trade date of 24 October 2019. The settlement date for the EIS/VCT Shares will be 14 November 2019 and the General Placing Shares will have a settlement date of 15 November 2019.

The Company will instruct its registrar to deliver the Placing Shares to the CREST account operated by Panmure Gordon as agent for the Company and Panmure Gordon will enter its delivery (DEL) instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

Interest may be charged in respect of payments not received for value at that time.

Whilst Panmure Gordon does not believe there to be any liability to stamp duty or stamp duty reserve tax in respect of the Placing Shares, should any such stamp duty or stamp duty reserve tax be payable, it shall be entirely for the Placee's account and neither the Company nor Panmure Gordon will have any liability in respect thereof.

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

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations, warranties and further terms

By participating in the Placing each Placee (and any person acting on such Placee's behalf) acknowledges, undertakes, represents, warrants and agrees (as the case may be) with Panmure Gordon (for itself and on behalf of the Company) as follows:

1. it has read this Announcement, including the appendices, in its entirety and acknowledges and agrees that its participation in the Placing will be subject to the terms, conditions, representations, warranties, acknowledgments, agreements and undertakings and other information contained herein and to the provisions of the Placing and Open Offer Agreement and the articles of association of the Company in force both before and immediately after Admission;
2. its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
3. that the exercise by Panmure Gordon of any rights or discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of Panmure Gordon and Panmure Gordon need not have any reference to the Placee and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and that it has no rights against Panmure Gordon or the Company, or any of their respective directors and employees under the Placing and Open Offer Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
4. that it is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement (including the appendices); and that neither the Company nor Panmure Gordon nor any of their respective officers, directors or employees will have any liability for any such other information or representation;

5. that it has relied on its own assessment and investigation of the business, financial or other position of the Company in determining whether to participate in the placing, and (a) has satisfied itself concerning legal, regulatory, tax, business and financial considerations in connection herewith to the extent it deems necessary; (b) had access to review publicly available information concerning the Company that it considers necessary or appropriate and sufficient in making an investment decision and to determine whether to participate in the Placing; (c) reviewed such information as it believes necessary or appropriate in connection with its subscription of the Placing Shares; and (d) made its investment decision based upon its own judgment, due diligence and analysis and not upon any view expressed or information provided by or on behalf of Panmure Gordon;
6. that it understands and agrees that it may not rely on any investigation that Panmure Gordon or any person acting on its behalf may or may not have conducted with respect to the Company, or the Placing, and that none of Panmure Gordon, the Company, any of their affiliates, or any person acting on behalf of them has provided, and will not provide, any material regarding the Placing Shares or the Company (other than this Announcement);
7. that none of Panmure Gordon nor any of its affiliates, nor any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Panmure Gordon for the purposes of the Placing;
8. that none of Panmure Gordon nor any of its affiliates, nor any person acting on behalf of any of them have any duties or responsibilities to it or, as the case may be, its clients similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book; that Panmure Gordon is not acting for it or its clients; and that Panmure Gordon will not be responsible for providing protections afforded to its clients or for providing advice in relation to the transactions described in this Announcement;
9. accordingly, it acknowledges and agrees that it will not hold Panmure Gordon or any of its affiliates or any person acting on their behalf responsible or liable for any misstatements in or omission from any publicly available information relating to the Company or information made available (whether in written or oral form) in presentations or as part of roadshow discussions with investors relating to the Company (the "**Information**") and that neither Panmure Gordon nor any person acting on behalf of Panmure Gordon makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such Information or accepts any responsibility for any of such Information;
10. it is not a national or resident of a Restricted Jurisdiction or a corporation, partnership or other entity organised under the laws of a Restricted Jurisdiction or of any jurisdiction which would be unlawful and that it will not offer, sell, renounce, transfer or deliver directly or indirectly any of the Placing Shares in a Restricted Jurisdiction or any jurisdiction where to do so would be unlawful or any person resident in a Restricted Jurisdiction or in any jurisdiction where to do so would be unlawful and it acknowledges and agrees that the Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or jurisdiction of the United States, or the relevant securities legislation of any Restricted Jurisdiction and therefore Placing Shares may not be offered for sale, and may not be, directly or indirectly, offered, sold, renounced, transferred or delivered, in or into

a Restricted Jurisdiction or their respective territories and possessions, or in any jurisdiction which to do would be unlawful unless pursuant to a relevant exemption;

11. it is not located in the United States at the time the buy order is originated and it represents that no “directed selling efforts” (as defined in Regulation S under the Securities Act) were made in connection with the Placing;
12. it is not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares is given;
13. it acknowledges and agrees that its purchase of Placing Shares does not trigger, in the jurisdiction in which it is resident or located: (i) any obligation to prepare or file a prospectus or similar document or any other report in respect to such purchase; (ii) any disclosure or reporting obligation of the Company; or (iii) any registration or other obligation on the part of the Company, but that if required by applicable securities laws or as otherwise reasonably requested by the Company, the Placee will execute, deliver and file and otherwise assist the Company in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Placing Shares;
14. it and any person acting on its behalf is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it and that: (i) it has fully observed such laws; (ii) it has obtained all necessary capacity, consents and authorities (regulatory or otherwise) to enable it to give its commitment to subscribe for the Placing Shares and to perform its subscription obligations; (iii) it has complied with all necessary formalities and has not taken any action which will or may result in the Company or Panmure Gordon or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance of Placing Shares; and (iv) its commitment constitutes a valid and binding obligation on it;
15. in making any decision to subscribe for the Placing Shares, it confirms it has such knowledge and experience in financial, business, tax and international investment matters as to be capable of evaluating the merits and risks of its investment in the Placing Shares, that it is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear the economic risk of, and is able to sustain a complete loss of such investment in the Placing Shares. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
16. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not (i) dealt in the securities of the Company, (ii) encouraged or required another person to deal in the securities of the Company, or (iii) disclosed such information to any person, prior to the information being made publicly available;
17. it is acting as principal and for no other person and that its acceptance of Placing Shares will not give a contractual right to require the issue by the Company of any Placing Shares;
18. it will (or will procure that its nominee will), if applicable, make notification to the Company of the interest in its shares in accordance with the articles of association of the Company and any relevant rules or legislation;

19. if within the United Kingdom, it represents and warrants that it is a Qualified Investor as defined in section 86 of FSMA (as amended) and is a person (i) having professional experience in matters relating to investments who falls within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”) or (ii) who falls within Article 49(2)(a) to (d) of the Order (“high net worth companies, unincorporated associations, etc”) or (iii) to whom this Announcement may otherwise lawfully be communicated;
20. it is not, nor is it acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986 (depository receipts and clearance services);
21. that no instrument under which it acquires Placing Shares (whether as principal, agent or nominee) will be subject to stamp duty or stamp duty reserve tax at the increased rates referred to in sections 67 or 93 (Depository Receipts) or section 70 or 96 (Clearance Services) of the Finance Act 1986;
22. that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Panmure Gordon nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Panmure Gordon in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of Panmure Gordon who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
23. that it irrevocably appoints any director of Panmure Gordon as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares offered to it by Panmure Gordon;
24. that if it elects to receive its Placing Shares in uncertificated form, the CREST member account identified in the Contract Note returned by it is not marked;
25. to indemnify on an after tax basis and hold the Company and Panmure Gordon and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by it (or any person on whose behalf it is acting) of the representations, warranties, acknowledgements, agreements and undertakings contained in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
26. that its obligations will be owed to the Company and Panmure Gordon and acknowledges that it has an immediate, separate, irrevocable and binding obligation, owed to Panmure Gordon, to pay to Panmure Gordon (or as it may direct) in cleared funds an amount equal to that shown in the Contract Note, and it undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with

other subscribers or sold as Panmure Gordon may in its discretion determine and without liability to such Placee;

27. that that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreements shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of or in connection with any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Panmure Gordon in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
28. that the Panmure Gordon and its affiliates will rely upon the truth and accuracy of the representations, warranties, acknowledgements and undertakings set out herein which are given to Panmure Gordon on its own behalf and on behalf of the Company and which are irrevocable and it irrevocably authorises Panmure Gordon to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
29. it is aware of, have complied with and will continue to comply with any obligations it has under the FCA's Money Laundering Rules, the Criminal Justice Act 1993, Market Abuse Regulation (EU) No 596/2014, FSMA, the Terrorism Act 2000, and the Money Laundering Regulations to the extent applicable to it and in respect of its subscription for Placing Shares: (i) it has complied fully with its obligations pursuant to the Money Laundering Regulations; and (ii) it will provide Panmure Gordon on demand with any information it may require for the purposes of verification under the Money Laundering Regulations;
30. that to ensure compliance with the FCA's Money Laundering Rules, the Terrorism Act 2000, and the Money Laundering Regulations (as applicable), Panmure Gordon may, in its absolute discretion, require verification of Placees' identity to the extent that it has not already provided the same. Pending the provision to Panmure Gordon of evidence of identity, definitive certificates in respect of Placing Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity Panmure Gordon has not received evidence satisfactory to it, Panmure Gordon may, at its absolute discretion, terminate the proposed issue of Placing Shares to the Placee in which event the monies payable on acceptance of the allotment will, if paid, be returned without interest to the account of the drawee bank from which they were originally debited. No Placing Shares will be placed with a Placee if before Admission its acceptance of any Placing Shares is rejected pursuant to the Money Laundering Regulations;
31. that it will not make any offer to the public of those Placing Shares to be subscribed by it for the purposes of the Prospectus Regulation;
32. that it will not distribute any document relating to the Placing Shares and it will be subscribing for the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has full power and authority to make the acknowledgments,

representations and agreements herein on behalf of each such account) for investment purposes only;

33. that this Announcement does not constitute an offer to sell, or the solicitation of an offer to buy, Placing Shares in any jurisdiction in which such an offer or solicitation is unlawful. It acknowledges and agrees that the Placing Shares have not been and will not be registered or qualified for sale under the securities laws of any Restricted Jurisdiction or any other jurisdiction where to do so would be unlawful. Accordingly, the Placing Shares may not be offered or sold, directly or indirectly, within the United States and it represents, warrants and acknowledges to Panmure Gordon that it will only offer and sell the Placing Shares outside the United States in offshore transactions in accordance with Regulation S under the US Securities Act or within the United States pursuant to a valid registration statement or pursuant to an available exemption therefrom under the Securities Act. The Placing Shares may not be sold within or to persons who are nationals of or are resident in or who are corporations or other entities organised under the laws of Restricted Jurisdictions or any jurisdiction where to do so would be unlawful unless pursuant to a relevant exemption. Each Placee agrees not to distribute this Announcement in or into any Restricted Jurisdictions or any jurisdiction where to do so would be unlawful;
34. if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date any such Placing is accepted;
35. that information provided by it to the Company and the Registrar will be stored on the Company's and/or the Registrars' computer system(s). It acknowledges and agrees that for the purposes of the General Data Protection Regulation (EU) 2016/679 and other relevant data protection legislation which may be applicable (the "**Data Protection Law**"), the Company and the Registrars are required to specify the purposes for which they will hold personal data. The Company and the Registrars will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - i. process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - ii. communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
 - iii. provide personal data to such third parties as the Company or the Registrars may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area;
 - iv. without limitation, provide such personal data to the Company or Panmure Gordon for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA States; and
 - v. process its personal data for the Company's or Registrars' internal administration;
36. that it has obtained the consent of any data subjects to the Registrars and the Company and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for

the purpose set out in paragraph 32 above). For the purposes of this Announcement, “data subject”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Law.

The foregoing acknowledgements, undertakings, representations, warranties and confirmations are given to each of the Company and Panmure Gordon (for their own benefit, and where relevant, the benefit of their respective affiliates) and are irrevocable. The Company and Panmure Gordon will rely upon the truth and accuracy of the foregoing acknowledgements, undertakings, representations, warranties and confirmations.

The agreement to settle a Placee's acquisition of Placing Shares (and/or the acquisition by a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes, and is based on a warranty from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Panmure Gordon will be responsible. If this is the case, each Placee should seek its own advice and notify Panmure Gordon.

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

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

Each Placee, and any person acting on behalf of the Placee, acknowledges that Panmure Gordon does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities contained in the Placing and Open Offer Agreement.

When a Placee or person acting on behalf of the Placee is dealing with Panmure Gordon, any money held in an account with Panmure Gordon on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Panmure Gordon's money in accordance with the client money rules and will be used by Panmure Gordon in the course of its own business and the Placee will rank only as a general creditor of Panmure Gordon.

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

Past performance is not a guide to future performance and persons needing advice should consult an independent financial adviser.

APPENDIX III DEFINITIONS

“Act”	the UK Companies Act 2006, as amended
“Admission”	First Admission or Second Admission as the context requires
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies, which sets out the rules and responsibilities for companies whose shares are admitted to trading on AIM, as amended from time to time
“Application Form”	the application form relating to the Open Offer and enclosed with the Circular for use by Eligible non-CREST Shareholders
“Basic Entitlement(s)”	the <i>pro rata</i> entitlement for Eligible Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer, as described in Part III of the Circular
“Board” or “Directors”	the board of directors of the Company, whose names are listed on page 7 of the Circular
“Business Day”	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
“Capital Raising”	the Placing, the Subscription and the Open Offer, taken together
“Capital Raising Announcement”	the Company’s announcement on 24 October 2019 relating to the Capital Raising
“certificated or in certificated form”	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
“Circular” or “the Circular”	this circular of the Company giving (amongst other things) details of the Placing, the Subscription and the Open Offer and incorporating the Notice of General Meeting
“Company” or “C4XD”	C4X Discovery Holdings plc, a public limited company incorporated in England and Wales under registered number 9134041
“CREST”	the relevant system (as defined in the Regulations) which enables title to units of relevant securities (as defined in the Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear is the Operator (as defined in the Regulations)
“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)

“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear
“CREST regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 – No.3775), 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 (which includes all CREST personal members)
“Drug Discovery”	the process through which potential new medicines are identified, involving a wide range of scientific disciplines, including biology, chemistry and pharmacology
“EIS”	the Enterprise Investment Scheme
“EIS Shares”	the new Ordinary Shares to be allotted and issued pursuant to the Placing and Open Offer Agreement to certain persons seeking to invest in “EIS/VCT Shares” for the purposes of EIS
“EIS/VCT Shares”	together the EIS Shares and the VCT Shares, being the Placing Shares that will be offered to VCTs and to those investors seeking to claim EIS relief in relation to their investment
“Eligible CREST Shareholders”	Eligible Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
“Eligible Non-CREST Shareholders”	Eligible Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
“Eligible Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date, with the exception (subject to certain exceptions) of Shareholders resident in or citizens of any Restricted Jurisdiction, who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in the Circular
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following Second Admission, as enlarged by the New Ordinary Shares
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Excess Application Facility”	the facility pursuant to which Eligible Shareholders may apply to subscribe for such number of Open Offer Shares in excess of their Basic Entitlement subject to the terms and conditions of the Open Offer set out in Part III of the Circular
“Excess CREST Open Offer Entitlement”	in respect of each Eligible CREST Shareholder, the entitlement to

	apply for Open Offer Shares in addition to the Basic Entitlement credited to the Eligible CREST Shareholder's account in CREST, pursuant to the Excess Application Facility, which is conditional on the Eligible CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of the Circular
"Excess Entitlement(s)"	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to an Eligible Shareholder pursuant to the Open Offer as described in paragraph 4 of Part III of the Circular
"Excess Shares"	the Open Offer Shares for which Eligible Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
"Ex-entitlement Date"	the date on which the Existing Ordinary Shares are marked 'ex' for entitlement under the Open Offer being 25 October 2019
"Excluded Overseas Shareholders"	other than as agreed by the Company and Panmure Gordon or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction
"Existing Ordinary Shares"	the 57,792,636 Ordinary Shares in issue at the date of the Circular all of which are admitted to trading on AIM
"FCA"	the UK Financial Conduct Authority
"Final Date"	2 December 2019
"First Admission"	the admission of the EIS/VCT Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the General Meeting which is enclosed with the Circular
"FSMA"	the UK Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company convened for 11.00 a.m. on 13 November 2019 at which the Resolutions will be proposed, notice of which is set out at the end of the Circular
"General Placing Shares"	the new Ordinary Shares to be allotted and issued which are neither EIS Shares nor VCT Shares
"Group"	the Company, its Subsidiaries and Subsidiary undertakings
"HMRC"	Her Majesty's Revenue & Customs
"ISIN"	International Securities Identification Number
"Issue Price"	15 pence per New Ordinary Share

“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“New Ordinary Shares”	the new Ordinary Shares (being the Placing Shares, the Subscription Shares and the Open Offer Shares) to be issued by the Company pursuant to the Resolutions
“Notice of General Meeting”	the notice of General Meeting, set out at the end of the Circular
“Open Offer”	the proposed conditional, pre-emptive offer by the Company to Eligible Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in the Circular and, where relevant, in the Application Form
“Open Offer Entitlements”	entitlements for Eligible Shareholders to subscribe for Open Offer Shares comprised of the Basic Entitlement and the Excess Entitlement
“Open Offer Shares”	up to 6,421,404 new Ordinary Shares to be issued by the Company to Eligible Shareholders pursuant to the Open Offer
“Ordinary Shares”	the ordinary shares of one penny (£0.01) each in the share capital of the Company
“Overseas Shareholders”	Shareholders with registered addresses outside the United Kingdom or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the UK
“Panmure Gordon”	Panmure Gordon (UK) Limited, a company incorporated in England and Wales with company number 04915201, authorised and regulated by the FCA
“Placees”	any person who has agreed to subscribe for Placing Shares
“Placing”	the proposed conditional, non-pre-emptive placing by Panmure Gordon (on behalf of the Company) of the Placing Shares at the Issue Price on the terms and subject to the conditions in the Placing and Open Offer Agreement
“Placing and Open Offer Agreement”	the conditional agreement dated 24 October 2019 relating to the Placing and the Open Offer, between the Company and Panmure Gordon in connection with the Capital Raising, further details of which are set out in the Circular
“Placing Shares”	the new Ordinary Shares (together being the General Placing Shares, the EIS Shares and the VCT Shares) which are to be conditionally subscribed for in accordance with the terms of the Placing and Open Offer Agreement

“Prospectus Regulation”	Commission Regulation (EU) 2017/1129 which entered into force on 21 July 2019, replacing the prospectus directive as implemented within the European Union
“Receiving Agent”	Link Market Services Limited trading as Link Asset Services
“Record Date”	close of business on 23 October 2019
“Registrars”	Link Asset Services, registrar to the Company
“Regulations”	the UK Uncertificated Securities Regulations 2001 (SI 2001 No.3755), as amended
“Regulatory Information Service”	has the meaning given in the AIM Rules for Companies
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Restricted Jurisdictions”	each of Australia, Canada, Japan, the Republic of South Africa, New Zealand and the United States where the extension or availability of the Placing, the Subscription or the Open Offer would breach any applicable law
“Second Admission”	admission of the General Placing Shares, the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Securities Act”	the United States Securities Act of 1933
“Shareholders”	the holders of Ordinary Shares from time to time, each individually a “Shareholder”
“Subscription”	the direct subscription with the Company for the Subscription Shares at the Issue Price by certain investors pursuant to the Subscription Letters
“Subscription Letters”	the subscription letters entered into between the Company and certain investors on or before the date of the Capital Raising Announcement, pursuant to which such investors have agreed to subscribe for Subscription Shares
“Subscription Shares”	the new Ordinary Shares which are subject of the Subscription
“Subsidiary”	has the meaning given to it in section 1159 of the Act
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated or in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“US” or “United States”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“USE”	unmatched stock event
“VCT”	a company which is, or which is seeking to become, approved as a venture capital trust under Section 842AA of the UK Income and Corporation Taxes Act 1988
“VCT Shares”	thenew Ordinary Shares to be allotted and issued to VCTs

APPENDIX IV EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record date for entitlement under the Open Offer	Close of business on 23 October 2019
Announcement of the Placing and Open Offer	7.00 a.m. 24 October 2019
Posting of the Circular, Form of Proxy and Application Form (where applicable)	by 25 October 2019
Ex-entitlement date for the Open Offer	8.00 a.m. on 25 October 2019
Basic Entitlements and Excess Entitlements credited to stock accounts in CREST for Eligible Shareholders	28 October 2019
Latest recommended time and date for requested withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 6 November 2019
Latest time and date for depositing Basic Entitlements and Excess Entitlements in CREST	3.00 p.m. on 7 November 2019
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 8 November 2019
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 11 November 2019
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions	11.00 a.m. on 12 November 2019
General Meeting	11.00 a.m. on 13 November 2019
Results of the General Meeting and the Open Offer announced	13 November 2019
Admission of the EIS/VCT Shares to trading on AIM and commencement of dealings	8.00 a.m. on 14 November 2019
CREST accounts to be credited for EIS/VCT Shares to be held in uncertificated form	14 November 2019
Admission of the General Placing Shares, the Subscription Shares and the Open Offer Shares to trading on AIM and commencement of dealings	8.00 a.m. on 15 November 2019
CREST accounts to be credited for General Placing Shares and Open Offer Shares to be held in uncertificated form	15 November 2019

Expected date of dispatch of definitive share certificates for New Ordinary Shares to be held in certificated form

Within 14 days of allotment

Notes:

- 1) All of the above times, and other time references in the Circular, refer to UK time.
- 2) The statistics and timetable above assume that are set out in the Notice of General Meeting are passed. Events listed in the above timetable following the General Meeting are conditional on the Resolutions being passed at the General Meeting.
- 3) The ability to participate in the Open Offer is subject to certain restrictions relating to Eligible Shareholders with registered addresses or who are located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of the Placing Shares which are set out in paragraph 7 of Part III of the Circular. Subject to certain exceptions, Application Forms will not be dispatched to, and Open Offer Shares Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.
- 4) Each of the times and dates set out in the above timetable and mentioned in the Circular is indicative only and are subject to change, by the Company (with the agreement of Panmure), in which case the revised times and dates will be notified of the London Stock Exchange and the Company will make an appropriate announcement to Shareholders through a Regulatory Information Service.
- 5) Different deadlines and procedures for applications may apply in certain cases. For example, if you hold your Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above
- 6) All references to legislation in the Circular are to the legislation of England and Wales, unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

--ENDS--