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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**

#### ***Advancing the next wave of out-licensing opportunities***

**7 May 2020** - C4X Discovery Holdings plc (AIM: C4XD), a pioneering Drug Discovery company, today announces a proposed Placing of Placing Shares with existing and new institutional investors to raise a minimum of approximately £1.0 million in aggregate before expenses at the Issue Price of 15 pence per Placing Share.

As noted in the Company's recent interim results for the six months ended 31 January 2020, the Company's focus throughout 2020 is to advance various of its existing programmes and to progress the ongoing commercial discussions across its portfolio. The net proceeds of the Placing will be used to further strengthen its balance sheet as partnering and strategic collaborations progress, and to support working capital during the progression of its pipeline portfolio. The net proceeds of the Placing are expected to provide the Company with at least twelve months working capital. The Company's assumptions with regards to its working capital assume that a material tax credit will be received both this year and in H1 2021, as has been the case in previous years.

#### ***Details of the Placing***

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 I. The Placing Shares are not being made available to the public. It is envisaged that the Bookbuild will be closed by 11.00 a.m. today, 7 May 2020 although Panmure Gordon and the Company reserve the right to amend this timeframe at their discretion.

Details of the number of Placing Shares and the approximate gross proceeds of the Placing will be announced as soon as practicable after the closing of the Bookbuild. The Placing is not underwritten.

Today, Panmure Gordon entered into a placing agreement with the Company in relation to the Placing (the "**Placing Agreement**"). Pursuant to the terms of the Placing Agreement, Panmure Gordon, as agent for the Company, has conditionally agreed to use its reasonable endeavours to place the Placing Shares with certain institutional investors. The Placing is conditional upon, *inter alia*:

- admission of the Placing Shares to trading on AIM becoming effective; and
- the Placing Agreement between the Company and Panmure Gordon not having been terminated.

The Placing Agreement contains customary warranties from the Company in favour of Panmure Gordon relating to the Group and its business. In addition, the Company has agreed to indemnify Panmure Gordon and its affiliates in relation to certain liabilities that they may incur in respect of the Placing. Panmure Gordon may terminate the Placing Agreement at any time prior to Admission in certain circumstances, including in the event of a breach of the warranties given in the Placing Agreement, the failure of the Company to comply with its obligations under the Placing Agreement or, the occurrence of a force majeure event or a material adverse change affecting the financial position or business or prospects of the Company. If this right is exercised by Panmure Gordon the Placing will not proceed.

The proposed issue and allotment of the Placing Shares will be within the existing shareholder authorities granted to the Company at its Annual General Meeting held on 31 January 2020 to issue and allot up to 10,836,700 ordinary shares of the Company free from statutory pre-emption rights. Application will be made for the Placing Shares to be admitted to trading on AIM ("Admission") and it is expected that admission will become effective on or around 12 May 2020.

It is expected that the Placing Shares rank as "eligible shares" and will be capable of being a "qualifying holding" for the purposes of investment by VCTs, and that the Company expects it can issue EIS 3 "compliance certificates" for the purpose of EIS.

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.

**This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement. Investors who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix.**

The capitalised terms not otherwise defined in the text of this Announcement are defined in Appendix II.

*This Announcement is released by C4X Discovery Holdings plc and contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 (MAR), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

*For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging the release of this Announcement on behalf of the Company is Bradley Richard Hoy, a director of the Company.*

**For further information, please contact:**

**C4X Discovery Holdings plc**

Clive Dix, Chief Executive Officer 07801 865 803

**Panmure Gordon (UK) Limited (NOMAD)**

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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](http://www.c4xdiscovery.com)

**IMPORTANT NOTICES**

This Announcement has been issued by, and is the sole responsibility of, the Company. The distribution of this announcement or any information contained in it, and the offering or sale of securities in jurisdictions other than the United Kingdom may be restricted by law, and therefore

persons coming into possession of this announcement and/or any related communications should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required (in accordance with the Prospectus Regulation (EU) 2017/1129) to be published.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Panmure Gordon nor any of its affiliates or agents (or any of their respective directors, officers, employees or advisers) for the contents of the information contained in this announcement, or any other written or oral information made available to or publicly available to any interested party or its advisers, or any other statement made or purported to be made by or on behalf of Panmure Gordon or any of its affiliates in connection with the Company, the Placing Shares or the Placing and any responsibility and liability whether arising in tort, contract or otherwise therefore is expressly disclaimed. Panmure Gordon and its affiliates accordingly disclaim all and any liability, whether arising in tort, contract or otherwise (save as referred to above) in respect of any statements or other information contained in this announcement and no representation or warranty, express or implied, is made by Panmure Gordon or any of its affiliates as to the accuracy, fairness, verification, completeness or sufficiency of the information contained in this announcement and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placing Shares. Any investment decision to buy Placing Shares in the Placing must be made solely on the basis of publicly available information, which has not been independently verified by Panmure Gordon.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website (or any other website) nor any website accessible by hyperlinks on the Company's website (or any other website) is incorporated in, or forms part of, this announcement.

Appendix I 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.

This announcement and the information contained herein are not an offer for sale or subscription of any securities in the Company and are not for publication or distribution in the United States or to any U.S. person ("**US Person**") within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Any failure to comply with this restriction may constitute a violation of United States securities laws.

The Placing Shares described in this Announcement have not been, and will not be, registered under the 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, in or into the United States or to any US Person, unless registered under the Securities Act or conducted pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Placing Shares are being offered and sold solely outside of the United States in offshore transactions in accordance with Regulation S to investors who are not US Persons. There will be no public offering of the Placing Shares in the United States, the United Kingdom or elsewhere. No representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares.

The Placing Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or any other regulatory authority in the United

States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

Furthermore, the Placing 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 and the Placing of the Placing Shares as set out in this Announcement in certain jurisdictions may be restricted by law. No action has been taken that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdictions where action for that purpose is required. Persons into whose possession this Announcement comes are required to inform themselves about, and to 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, 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, and none of the Company, Panmure and any of their respective directors, officers, employees, agents, affiliates or advisers assumes, any responsibility or obligation or undertaking to

update, amend, revise, 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. No statement in this announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. Past performance of the Company cannot be relied on as a guide to future performance and persons reading this announcement are cautioned not to place undue reliance on such forward-looking statements.

This Announcement does not constitute a recommendation concerning any investors' options with respect to the Placing. Investors and prospective investors should conduct their own investigation, analysis and evaluation of the business and data. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

**APPENDIX I**  
**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") (II) OR FALL WITHIN THE DEFINITION OF "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC" IN ARTICLE 49(2)(A) TO (D) OF THE ORDER; OR (III)) 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 (INCLUDING THIS APPENDIX) DOES CONSTITUTE FOR SALE OR SUBSCRIPTION OF ANY IN THE COMPANY IN AND IS NOT FOR PUBLICATION OR DISTRIBUTION IN THE UNITED STATES OR TO ANY U.S. PERSON ("US PERSON") WITHIN THE MEANING OF REGULATION S ("REGULATION S") UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS.**

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO ANY US PERSON UNLESS REGISTERED UNDER THE SECURITIES ACT OR CONDUCTED PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THERE WILL BE NO PUBLIC OFFERING OF THE COMPANY'S SECURITIES IN THE UNITED STATES. THE SECURITIES WILL BE OFFERED AND SOLD SOLELY OUTSIDE OF THE UNITED STATES IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATIONS TO INVESTORS WHO ARE NOT US PERSONS.

THE SECURITIES MENTIONED HEREIN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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, FINANCIAL AND RELATED ASPECTS OF A SUBSCRIPTION FOR 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, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given, will be deemed: (i) to have read and understood this Announcement, including this Appendix, in its entirety; and (ii) to be participating and making such an offer to acquire Placing Shares on the terms and conditions, and to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) 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; and
2. it is and, at the time the Placing Shares are acquired, will be outside the United States and is acquiring the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act ("Regulation S"), which is acquiring beneficial interests in the Placing Shares for its own account; if acquiring the Placing Shares for the account of one or more other persons, it has sole investment discretion with respect to each such account and full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account; and
3. 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; and
4. 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
5. if it is a financial intermediary, as that term is used in Article 2(d) of the Prospectus Regulation, that it understands the resale and transfer restrictions set out in this Appendix and that 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.

The Company and Panmure Gordon will rely on the truth and accuracy of the foregoing representations, warranties and acknowledgements.

The Placing Shares are being offered and sold outside the United States in accordance with Regulation S.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or this Announcement of which it forms part should seek appropriate advice before taking any action. Persons into whose possession this Announcement comes are required by the Company and Panmure Gordon to inform themselves about, and to observe, any such restrictions.

These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee hereby agrees with Panmure Gordon and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if Panmure Gordon confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

### **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. It is expected that Placing Shares will be allotted, conditional upon, *inter alia*, Admission becoming effective on 12 May 2020.

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

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

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

becoming effective and dealings in the Placing Shares commencing on AIM at 8.00 a.m. on 12 May 2020.

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 *pari passu* in all respects with the Existing Ordinary Shares, including, without limitation, the right to receive all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

#### **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 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 will open with immediate effect and is expected to close later 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 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.

On the assumption that the conditions set out in the Placing Agreement in respect of Admission are satisfied (or waived) and that the Placing Agreement does not lapse and is not terminated in accordance with its terms on or prior to the Long Stop Date, 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 Agreement'. In the event that the Placing 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 Placing Shares**

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. Panmure Gordon's obligations under the Placing Agreement are conditional on, amongst other things:

- i. none of the warranties of the Company contained in the Placing Agreement being untrue, inaccurate or misleading on and as of the date of the Placing Agreement nor ceasing to be true and accurate or having become misleading as at Admission with reference to the facts and circumstances which shall then exist;
- ii. Admission having become effective in accordance with the AIM Rules by no later than 8.00 a.m. on 12 May 2020 (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 May 2020 (the "Long Stop Date"));
- iii. the Company having complied with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to Admission;
- iv. the Company allotting, subject only to Admission, the relevant Placing Shares in accordance with the Placing Agreement; and
- v. the satisfaction or, where capable of waiver, the waiver of certain other conditions set out in the Placing Agreement in respect of the placing of the Placing Shares, provided that the extended time for satisfaction shall not be extended beyond 8.00 a.m. on the Long Stop Date.

If: (i) any of the conditions contained in the Placing Agreement, including those described above, are not satisfied (or waived if capable of waiver); or (ii) have become incapable of being satisfied on or before the Long Stop Date and have not been waived; or (iii) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placee's rights and obligations in relation to the Placing Shares shall cease and determine at such time and each Placee 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.

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 Agreement expressed to be capable of waiver or extension (provided that such extension will not extend later than the Long Stop Date in respect of Admission); (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 Agreement and may terminate the Placing Agreement in certain circumstances prior to Admission, in each case without consulting with any Placee; and (iii) that neither Panmure Gordon, nor any of its respective directors, officers, employees, agents or affiliates shall have any liability (whether in contract, tort or otherwise) to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally. 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.

By participating in the Bookbuild, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under "Right to terminate under the Placing Agreement" below and will not be capable of rescission or termination by the Placee.

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

The Placing 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 Agreement at any time prior to 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

Upon termination of the Placing Agreement the Placing will not occur and the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances.

By participating in the Placing, Placees agree that the exercise by Panmure Gordon of any right of termination or other discretion under the Placing 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 any other authority) or submitted to the London Stock Exchange in relation to the Placing and Admission and no such prospectus is required to be published in the United Kingdom or any equivalent document in any other jurisdiction.

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) and all other publicly available information previously or simultaneously published by or on behalf of the Company by notification to a Regulatory Information Service or otherwise filed by the Company is exclusively the responsibility of the Company and confirms to Panmure Gordon and the Company 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 by that person.

#### **Registration and settlement**

Settlement of transactions in Placing Shares following 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 7 May 2020. The settlement date for the Placing Shares will be 12 May 2020.

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 Placing Shares to the relevant 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) irrevocably acknowledges, undertakes, represents, warrants and agrees (for itself and for any such prospective

Placee) with Panmure Gordon (in its capacity as bookrunner and broker in connection with the Placing), in each case as a fundamental term of its application for Placing Shares, 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 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 its commitment to acquire Placing Shares on the terms set out herein and in this Announcement (including the Appendix) and the trade confirmation or contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and Placees will have no right to be consulted or require that their consents be obtained with respect to the Company's or Panmure Gordon's conduct of the Placing;
4. that the exercise by Panmure Gordon of any rights or discretion under the Placing 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 Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
5. 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;
6. 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, currency, financial and other economic 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 solely upon its own judgment, due diligence and analysis and not upon any view expressed or information provided by or on behalf of Panmure Gordon, the Company or any other person otherwise than as set out in this Announcement;
7. that it understands and agrees that it may not rely, and has not relied, on any investigation that Panmure Gordon, any of its affiliates or any person acting on its behalf, may or may not have conducted with respect to the Company, the Placing Shares 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, the Bookbuild, the Placing or the Company (other than this Announcement);

8. that none of Panmure Gordon, the Company, nor any of their 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;
9. 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 nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor the exercise or performance of Panmure Gordon's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
10. 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;
11. that none of Panmure Gordon, their respective affiliates or any person acting on behalf of any of them has or shall have any liability for any information made publicly available by or in relation to the Company or any representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
12. it is not, and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a 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;

13. 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;
14. 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;
15. 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;
16. 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;
17. in making any decision to subscribe for the Placing Shares, it confirms: (i) 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; (ii) it will not look to Panmure Gordon for all or part of any such loss it may suffer; (iii) 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 participating in the Placing for an indefinite period of time; (iv) is able to sustain a complete loss of such investment in the Placing Shares; and (v) has no need for liquidity with respect to its 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;
18. if it has received any inside information about the Company in advance of the publication of this Announcement, 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;
19. that (i) it is acting as principal only in respect of the Placing and has the power and authority to carry on the activities in which it is engaged, to subscribe for Placing Shares and to execute and deliver all documents necessary for such subscription; and/or (ii) if it is acting for any

other person: (A) it is duly authorised to do so and has full power to make the acknowledgements, representations and agreements herein on behalf of each such person; and (B) it is and will remain liable to the Company and/or Panmure Gordon for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person). Each Placee agrees that the provisions of this paragraph shall survive the resale of the Placing Shares by or on behalf of any person for whom it is acting;

20. 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;
21. 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;
22. that 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;
23. that it understands that any investment or investment activity to which this Announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons, and further understands that this Announcement must not be acted on or relied on by persons who are not Relevant Persons;
24. 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);
25. 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;
26. 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 (“**Indemnified Taxes**”). 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 on an after-tax basis in respect of the any Indemnified Taxes 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;
27. 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;

28. 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;
29. to indemnify on an after tax basis and hold the Company and Panmure Gordon and their respective directors, officers, employees, agents and 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;
30. 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;
31. that it (and any person acting on its behalf) has the funds available to pay for, and will make payment in respect of the Placing Shares allocated to it, in accordance with the terms and conditions of this Announcement, including the appendices, on the due time and date set out herein (unless otherwise agreed), failing which the relevant Placing Shares may be placed with other persons or sold as Panmure Gordon may in its sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Issue Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any interest, fines or penalties) which may arise upon the sale of such Placee's Placing Shares;
32. 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;
33. that the Company, Panmure Gordon and their respective 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 the Company and 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. It agrees that if any of the acknowledgments, representations, warranties and agreements made in connection with its subscribing for and/or acquiring of Placing Shares are no longer accurate, it shall promptly notify the Company and Panmure Gordon;

34. 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; and (iii) that if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Money Laundering Regulations;
35. 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;
36. that it has complied and will comply with all applicable laws with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom (including all relevant provisions of the FSMA in the United Kingdom);
37. 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;
38. 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;
39. 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;

40. 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;
41. 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; and
42. 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 any person acting on their behalf) 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, neither the Company nor Panmure Gordon is liable for any capital duty, stamp duty or any other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable in or outside the UK by any Placee or any other person on the Placee's acquisition of any Placing Shares or the agreement by them to subscribe for any Placing Shares. Each Placee agrees to indemnify on an after-tax basis and hold harmless the Company, Panmure Gordon and their respective affiliates, agents, directors, officers and employees from any and all such stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including interest, fines or penalties relating thereto).

In this Announcement, "after-tax basis" means in relation to any payment made to the Company, Panmure Gordon or their respective affiliates, agents, directors, officers and employees pursuant to this Announcement where the payment (or any part thereof) is chargeable to any tax, a basis such that the amount so payable shall be increased so as to ensure that after taking into account any tax chargeable (or which would be chargeable but for the availability of any relief unrelated to the loss, damage, cost, charge, expense or liability against which the indemnity is given on such amount (including on the increased amount)) there shall remain a sum equal to the amount that would otherwise have been so payable.

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 neither the Company nor Panmure Gordon owes any fiduciary or other duties to any Placee in respect of any acknowledgments, confirmations, representations, warranties, undertakings or indemnities contained in the Placing 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 the FSMA. Each 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.

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Panmure Gordon or by any of its respective affiliates or agents as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

## **APPENDIX II DEFINITIONS**

<b>“Act”</b>	the UK Companies Act 2006, as amended
<b>“Admission”</b>	the admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	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
<b>“Announcement”</b>	this announcement relating to the Placing
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
<b>“certificated” or “in certificated form”</b>	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST
<b>“Company” or “C4XD”</b>	C4X Discovery Holdings plc, a public limited company incorporated in England and Wales under registered number 9134041
<b>“CREST”</b>	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)
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the Regulations)
<b>“Drug Discovery”</b>	the process through which potential new medicines are identified, involving a wide range of scientific disciplines, including biology, chemistry and pharmacology
<b>“EIS”</b>	the Enterprise Investment Scheme
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Existing Ordinary Shares”</b>	the 108,366,444 Ordinary Shares in issue at the date of this Announcement
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000, as amended

<b>“Group”</b>	the Company, its subsidiaries and subsidiary undertakings
<b>“Issue Price”</b>	15 pence per Placing Share
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Money Laundering Regulations”</b>	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)
<b>“Ordinary Shares”</b>	the ordinary shares of one pence (£0.01) each in the share capital of the Company
<b>“Panmure Gordon”</b>	Panmure Gordon (UK) Limited, a company incorporated in England and Wales with company number 04915201, authorised and regulated by the FCA
<b>“Placees”</b>	any person who has agreed to subscribe for Placing Shares
<b>“Placing”</b>	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 Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 7 May 2020 relating to the Placing, between the Company and Panmure Gordon
<b>“Placing Shares”</b>	the new Ordinary Shares which are to be subscribed for by the Placees and issued by the Company to the Placees in accordance with the terms of the Placing Agreement
<b>“Prospectus Regulation”</b>	Commission Regulation (EU) 2017/1129 which entered into force on 21 July 2019
<b>“Registrars”</b>	Link Asset Services, registrar to the Company
<b>“Regulations”</b>	the UK Uncertificated Securities Regulations 2001 (SI 2001 No.3755), as amended
<b>“Regulatory Information Service”</b>	has the meaning given in the AIM Rules
<b>“Restricted Jurisdictions”</b>	each of Australia, Canada, Japan, the Republic of South Africa, New Zealand and the United States where the extension or availability of the Placing would breach any applicable law
<b>“Securities Act”</b>	the United States Securities Act of 1933
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“uncertificated” or “in uncertificated form”</b>	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

**“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