

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded to, or transmitted in or into, any jurisdiction where to do so might violate the relevant laws and regulations in that jurisdiction. **In particular, such documents should not be forwarded to, or transmitted in or into, the United States.** If you have sold or otherwise transferred part only of your holding of Ordinary Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read as a whole and in conjunction with the accompanying Form of Proxy and the Notice of General Meeting set out at the end of this document. You are recommended to read the whole of this document but your attention is drawn to the letter from the Interim Chairman of the Company to Shareholders which is set out in this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting.

The Company and the Directors, whose names appear on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after Admission. The Placing Shares are expected to be admitted to AIM and to commence trading at 8.00 a.m. on 27 September 2016.

C4X DISCOVERY HOLDINGS PLC

(Incorporated and registered in England and Wales with registered no. 9134041)

**Placing of 4,901,961 new Ordinary Shares at a
price of 102 pence per Ordinary Share**

and

Notice of General Meeting

Nominated Adviser and Broker

Zeus Capital

Zeus Capital Limited, which is authorised and regulated by the Financial Conduct Authority and is a member firm of the London Stock Exchange, is acting exclusively for C4X Discovery Holdings plc and for no one else in relation to the matters described in this document and will not be responsible to anyone other than C4X Discovery Holdings plc for providing the protections afforded to clients of Zeus Capital Limited or for providing advice on any other matter referred to herein. Zeus Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Zeus Capital Limited for the accuracy of any information or opinions contained in this document or for the omission of any information. Zeus Capital Limited, as nominated adviser and broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or any other person.

Notice of the General Meeting of C4X Discovery Holdings plc to be held at 10.00 a.m. on 26 September 2016 at The Podium, 1 Eversholt Street, Kings Cross, London NW1 2DN, is set out at the end of this document. To be valid, the Form of Proxy for use at the General Meeting, which accompanies this document, must

be completed, signed and returned so as to be received by the Company's registrars, Capita Asset Services by no later than 10.00 a.m. on 22 September 2016. The completion and return of the Form of Proxy will not prevent you from attending and voting at the General Meeting in person, if you so wish (and are so entitled). A summary of the action to be taken by Shareholders is set out in paragraph 6 of the letter from the Interim Chairman of the Company included in this document and in the Notice of General Meeting.

This document does not constitute a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute an offer to sell or the solicitation of an offer to buy any security. The distribution of this document in, into or within jurisdictions other than the United Kingdom may be restricted by law or regulation and, therefore, persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of the relevant jurisdiction.

The Placing Shares will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Accordingly, subject to certain exceptions, the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. Shareholders who are residents or citizens of any country other than the United Kingdom and any person (including, without limitation, custodians nominees and trustees) who have a contractual or other legal obligation to forward this document to a jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

In accordance with the AIM Rules, this document will be available to Shareholders on the Company's website www.c4xdiscovery.com from the date of this document, free of charge.

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PLACING STATISTICS

Placing Price	102p
Number of Ordinary Shares in issue at the date of this document	32,496,757
Number of Placing Shares to be issued	4,901,961
Number of Ordinary Shares in issue following Admission	37,398,718
Placing Shares expressed as a percentage of the enlarged share capital following Admission	13.1%
Gross Placing proceeds	£5.0m

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2016

Circular and Form of Proxy posted	6 September
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 22 September
General Meeting	10.00 a.m. on 26 September
Admission and dealings in the Placing Shares expected to commence on AIM	27 September
CREST stock accounts expected to be credited for the Placing Shares	27 September
Posting of share certificates for Placing Shares (if required) by	4 October

Notes:

1. The statistics above assume the passing at the General Meeting of the Resolutions and the Admission of the Placing Shares.
2. Some of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
3. All of the above times refer to London time unless otherwise stated.
4. Events listed in the above timetable following the General Meeting are conditional on the passing at the General Meeting of the Resolutions.
5. All references to legislation in this document 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.

DEFINITIONS

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

“Act”	the UK Companies Act 2006, as amended
“Admission”	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
“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
“Board” or “Directors”	the board of directors of the Company, whose names are listed on page 7 of this document
“Circular” or “this document”	this circular of the Company giving (amongst other things) details of the Placing 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 UK & Ireland Limited is the Operator (as defined in the Regulations)
“EIS”	the Enterprise Investment Scheme
“Existing Ordinary Shares”	the 32,496,757 Ordinary Shares in issue at the date of this document all of which are admitted to trading on AIM
“Form of Proxy”	the accompanying form of proxy for use by Shareholders in relation to the General Meeting
“General Meeting”	the general meeting of the Company to be held at 10.00 a.m. on 26 September 2016, notice of which is set out at the end of this document
“Group”	the Company, its subsidiaries and subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc
“Notice of General Meeting”	the notice of General Meeting, set out at the end of this document
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Placing”	the proposed conditional, non pre-emptive placing by Zeus Capital (on behalf of the Company) of the Placing Shares at the Placing Price
“Placing Agreement”	the conditional agreement dated 6 September 2016 relating to the Placing, between the Company and Zeus Capital
“Placing Price”	102 pence per Placing Share

“Placing Shares”	4,901,961 new Ordinary Shares which are to be conditionally placed for cash with investors in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional (amongst other things) on the passing of the Resolutions
“Regulations”	the UK Uncertificated Securities Regulations 2001 (SI 2001 No.3755), as amended
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Shareholders”	the holders of Ordinary Shares from time to time, each individually a “Shareholder”
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“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”	venture capital trust
“Zeus Capital”	Zeus Capital Limited, a company incorporated in England and Wales with company number 04417845, authorised and regulated by the Financial Conduct Authority

All references in this document to “£”, “pence” or “p” are to the lawful currency of the United Kingdom, all references to “US\$” or “\$” are to the lawful currency of the United States.

LETTER FROM THE INTERIM CHAIRMAN OF C4X DISCOVERY HOLDINGS PLC

C4X DISCOVERY HOLDINGS PLC

(Incorporated and registered in England and Wales with registered no. 9134041)

Manchester One
53 Portland Street
Manchester
M1 3EL

Company number: 9134041

Directors:

Sam Williams, *Interim Chairman*
Clive Dix, *Chief Executive Officer*
Alex Stevenson, *Non-Executive Director*
Harry Finch, *Non-Executive Director*

6 September 2016

Dear Shareholder

**Placing of 4,901,961 new Ordinary Shares at a price of 102 pence per Ordinary Share
and
Notice of General Meeting**

1. INTRODUCTION

I am pleased to inform you that the Board announced today that the Company has raised, subject to certain conditions, £5.0 million by way of a placing of 4,901,961 new Ordinary Shares at a placing price of 102 pence per Ordinary Share.

C4XD is delighted that Calculus Capital Limited ("**Calculus**"), which is a leading EIS and VCT investor, with a strong track record in the healthcare sector, has agreed to invest £3.0 million in the Placing subscribing for 2,941,176 Placing Shares, in respect of some of which EIS relief will be sought, with the remainder forming part of a qualifying holding for VCT purposes.

Polar Capital LLP, another new investor, and a number of existing shareholders have also agreed to support the fundraising. Clive Dix, has agreed to invest £475,000 in the Placing.

The Placing is conditional (amongst other things) upon the passing of the Resolutions in order to ensure that the Directors have the necessary authorities and powers to allot the Placing Shares for cash on a non pre-emptive basis. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 10.00 a.m. on 26 September 2016 at The Podium, 1 Eversholt Street, Kings Cross, London NW1 2DN. The Notice of General Meeting is set out at the end of this document.

The purpose of this document is to provide you with details of, and the reasons for, the Placing and why the Directors believe it to be in the best interests of the Company and its Shareholders and, further, why they recommend that you vote in favour of the Resolutions. The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 2,617,703 Ordinary Shares representing approximately 8.1 per cent. of the Existing Ordinary Shares.

2. BACKGROUND TO, AND REASONS FOR THE PLACING

C4XD aims to become the world's most productive drug discovery engine by exploiting cutting edge-technologies to design and create best-in-class small-molecule candidates targeting a range of high value therapeutic areas.

Since the Company's successful AIM IPO in October 2014, we have made considerable progress across our in-house pipeline in addiction, diabetes and inflammation with a number of new drug candidates identified and further progress made towards the clinic for our lead programme. We now have six therapeutic projects underway. On 1 March 2016, we made the strategically important acquisition of Adorial Limited ("Adorial") and its Taxonomy3[®] target discovery technology which complements and further strengthens our platform and its ability to initiate drug discovery and development programmes. The acquisition of a suite of advanced drug-discovery technologies from MolPlex Limited, in July 2016, has added additional strength to the C4XD drug-discovery engine including a software-based system which combines chemoinformatics, computational chemistry and artificial intelligence to optimise the drug discovery process.

2.1 Management

On 4 May 2016, C4XD announced the appointment of Dr Clive Dix as Chief Executive Officer. At that time, Sam Williams, a Non-Executive Director, became Interim Chairman whilst a search for a new Chairman is undertaken. Dr Dix was previously Executive Chairman of C4XD's Board of Directors having assumed day-to-day operational responsibilities from Piers Morgan who stepped down as CEO in November 2015 to pursue opportunities outside C4XD.

Dr Dix is widely recognised as one of the leading figures in the UK biotechnology sector, with an established reputation as a serially successful entrepreneur and an experienced pharmaceutical R&D executive. Most recently, Dr Dix was CEO of Convergence Pharmaceuticals, which was sold to Biogen in January 2015 for \$675m. Prior to that, Dr Dix enjoyed successful exits with PowderMed Limited, Auralis Limited and PowderJect Pharmaceuticals plc, where he held the roles of CEO, Chairman and Head of R&D, respectively. Before his move into biotechnology, Dr Dix was UK Research Director for GlaxoWellcome. He currently serves as Chairman of Touchlight Genetics Ltd and Centauri Therapeutics Ltd, and was Chairman of the UK Biotechnology Association (BIA) from 2008 to 2010.

2.2 Drug Discovery Engine

C4XD conducts rational, accelerated drug design using experimental data to identify the important molecular shapes from which to design and develop safer and better drugs across a wide range of indications.

C4XD's Conformetrix patented technology platform allows the dynamic 3D-shapes of free drug molecules to be precisely measured from experimental data, giving medicinal chemists new and unprecedented insights into the behaviour and physical properties of drug molecules.

The measurement, analysis and use of dynamic 3D-shapes is at the heart of C4XD's drug discovery engine. The focus and clarity that these data provide allow us to make rapid progress in developing new and better drugs at a fraction of the cost, compared to best industry practice.

The acquisition of Adorial and the Taxonomy3[®] technology adds a new ability to identify our own highly relevant and unique targets which we can use alongside industry standard methods as the starting point of programmes to expand our pipeline. Adorial's key genetic technology, Taxonomy3[®], is a revolutionary and highly sensitive mathematical tool that has the potential to increase the probability of small molecule drug-development success.

Taxonomy3[®] is able to identify previously unknown linkages and interactions between genes and biological pathways in a broad range of diseases. This enables the discovery of targets that cause disease rather than those that are simply associated with its symptoms, thereby providing the best starting point for drug discovery, biomarker identification and patient stratification, and ultimately improving the chances of clinical success.

2.3 Pipeline

2.3.1 Addiction

Oral Orexin-1 Antagonist Programme

The treatment of addiction represents a substantial area of unmet medical need, forecast to be worth an estimated \$13bn per annum by 2018 (Source: GBI Research 2012). C4XD's lead programme targeting

Orexin-1 could represent a major new method of treating addiction by targeting the ‘craving’ process itself. Through our Conformetrix platform, we have identified novel, patentable oral antagonists of Orexin-1 providing us with a pre-clinical candidate and a second, differentiated follow-up molecule. Furthermore, to enable visualisation of the activity of this drug in the brain in the planned Phase I clinical study, a potential Positron Emission Tomography imaging agent has been identified and is being assessed for suitability for clinical use.

The Orexin-1 receptor is considered to be central to the brain’s ‘craving’ and ‘reward’ pathways with pre-clinical efficacy observed in multiple addiction models. Recently, Actelion Pharmaceuticals Ltd (“Actelion”) announced the first public disclosure of a selective Orexin-1 antagonist entering clinical development with a Phase 1 study currently in progress. Selectivity against the structurally similar Orexin-2 receptor is of critical importance and C4XD has identified compounds with more than 1,000-fold selectivity for the Orexin-1 receptor versus the Orexin-2 which has a very different biological function in mediating the sleep/wake cycle. Molecules that target the Orexin-2 receptor such as the approved drug Suvorexant have been shown to be beneficial in the treatment of insomnia and therefore this activity must be absent from a drug being developed for the treatment of addiction.

Following Actelion’s lead, C4XD believes that a number of pharmaceutical companies have active pre-clinical Orexin-1 programmes for the treatment of addiction. C4XD’s programme is well placed from a product development perspective and provides a licensing opportunity for pharma companies interested in the treatment of addiction seeking to acquire an Orexin-1 programme.

2.3.2 Diabetes

Oral GPR142 Agonist Programme

Diabetes is a large and growing market, estimated to be worth \$55bn per annum by 2017 (Source: Visiongain, Diabetes Treatments: World-Drug-Market-2013-2023). In September 2015, we announced the identification of novel, lead molecules that target GPR142, a key factor in the production of insulin. Activation of the GPR142 receptor stimulates insulin production in a glucose-dependent manner, avoiding the hypoglycaemia risk associated with some existing diabetes therapies. GPR142 has recently become the focus of considerable research and patent activity with the pharma industry. Using its proprietary technology, C4XD has identified critical drug design principles, enabling us to generate novel, potent, orally available compounds in just a few months. We have recently demonstrated potent activity of our proprietary molecules in isolated pancreatic islets, the region of the pancreas that produces insulin.

Oral GLP-1 Agonist Programme

GLP-1 is a clinically validated diabetes target with multiple products in late stage clinical development or approved and marketed. The market leader for GLP-1 agonists, Victoza®, achieved 2015 sales of \$2.68 bn in 2015 (Novo Nordisk Annual Report 2015). However, these products are peptide-based therapeutic agents which require injection and are expensive to manufacture and prescribe. C4XD believes there is significant opportunity to develop a more convenient oral therapy that would also provide the potential for once-daily fixed-dose combination products with other marketed oral diabetes products. Using its Conformetrix platform, C4XD has identified novel molecules that activate the GLP-1 receptor and studies are underway to further profile these molecules for suitability as orally delivered therapeutic agents.

2.3.3 Inflammation

Oral NRF-2 Activator Programme

In September 2015, we announced we had designed novel activators of the NRF-2 pathway, which is important in mediating lung diseases such as Chronic Obstructive Pulmonary Disease (“COPD”), and Multiple Sclerosis (“MS”). COPD represents an area of substantial unmet medical need and a \$41bn market (Source: Visiongain, Asthma and COPD Therapies: World Market 2013-2023) and, therefore, oral activators of NRF-2 are the subject of considerable interest by the pharmaceutical industry. However, novel NRF-2 activators have proved difficult to identify. Recently, C4XD’s proprietary technology has enabled the discovery of some of the most potent compounds reported so far against NRF-2 and these should be more selective than previously developed agents. C4XD has recently initiated a fully integrated research programme with a UK-based CRO providing chemistry and biological services with the goal of delivering a shortlist of molecules from which C4XD would select a candidate to take into pre-clinical development.

IL-17 Programme

In October 2015, we announced we had identified highly selective small molecule leads in our programme against Interleukin-17 (“IL-17”), a critical and high-value target in inflammation and autoimmune diseases including psoriasis. The psoriasis market is estimated to be worth \$9bn per annum (Source: Visiongain, Psoriasis Treatment: World Market 2013-2023). Current attempts to target IL-17 are based on monoclonal antibodies with the identification of orally-available small molecules proving extremely challenging. Our technology has enabled the identification of small molecules that can selectively block IL-17 activity offering the potential of oral or topical use with benefits over injectable antibody therapies.

2.3.4 Oncology

In October 2015, we announced C4XD had entered into a research collaboration with the University of Oxford’s Structural Genomics Consortium (“SGC-Oxford”). Through the collaboration, C4XD is granted access to structural, biological and therapeutic information from SGC-Oxford. C4XD’s drug discovery engine will be used to complement SGC-Oxford’s expertise to identify new and improved molecules initially targeting an epigenetic target potentially useful for the treatment of cancer, such as cancers of the breast, prostate, lung and head and neck. Improvements made to SGC-Oxford’s existing molecules will be the exclusive property of SGC-Oxford, who will make them freely available in line with SGC-Oxford policy, while new ‘drug-like’ compounds suitable for clinical development independently identified by C4XD will belong to the Company.

2.4 Collaborations

C4XD operates a hybrid business model, with a wholly owned pipeline of discovery programmes in addition to partnerships with global and international companies, from top 10 pharma companies through to biotech companies.

C4XD has collaborations with AstraZeneca, Evotec and Takeda which enable them to access our Conformetrix platform for use in their own programmes. These relationships have validated the power and efficacy of our technology platform. C4XD has refined its hybrid model and its strategy going forward is for any future agreements with partners to be shared IP or milestone driven collaborative agreements as opposed to fee-for-service contracts. We are actively engaging with our existing partners on more collaborative approaches and exploring further potential collaborations around new programmes as well as partnering discussions on C4XD’s existing pipeline.

C4XD is also partnered with SGC-Oxford to assist with the identification and validation of new drug targets and has several active research collaborations with academic institutions.

2.5 Use of Proceeds

The Directors intend to accelerate the expansion of the Company’s pipeline to increase the number of pipeline programmes more than threefold by 2019 in line with the Group’s goal of becoming the world’s most productive drug discovery engine, and in particular intend to use the net proceeds of the Placing to:

- progress the Group’s existing pre-clinical pipeline towards clinical development and a commercially attractive partnering point;
- invest in developing new lead compounds against highly valuable drug targets including those identified by Taxonomy3®; and
- provide sufficient working capital to fund the Group’s operations.

3. EIS VCT

The Company has received notification from HM Revenue & Customs that certain of the Placing Shares should qualify for EIS and VCT relief. The availability of tax relief will depend, inter alia, upon the investor and the Company continuing to satisfy various qualifying conditions. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment but the Directors intend, as far as possible, to do so. 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.

4. DETAILS OF THE PLACING

The Company proposes to raise £5.0 million, by way of a conditional, non pre-emptive placing of 4,901,961 new Ordinary Shares at the Placing Price. The Placing Shares have, pursuant to the Placing Agreement, been placed by Zeus Capital, as agent for the Company, with institutional and other professional investors. The Directors have considered whether the Company should extend the offer of new Ordinary Shares to all existing Shareholders but, having discussed this with its professional advisers, decided that the expense of doing so could not be justified and would not be in the best interests of the Company at this time.

The Placing Price represents a discount of approximately 4.2 per cent. to the closing mid-market price of the Ordinary Shares of 106.5 pence on 5 September 2016 (being the last practicable dealing day prior to the date of this document). The Placing Shares will represent approximately 13.1 per cent. of the ordinary share capital as enlarged by the Placing and 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 Admission.

The Placing Agreement is conditional upon (amongst other things) the Placing Agreement not having been terminated, the passing of the Resolutions at the General Meeting and Admission occurring on or before 8.00 a.m. on 27 September 2016 (or such later date as Zeus Capital and the Company may agree, being not later than 8.00 a.m. on 31 October 2016).

The Placing Agreement contains warranties from the Company in favour of Zeus Capital in relation to (amongst other things) the Company and its business. In addition, the Company has agreed to indemnify Zeus Capital in relation to certain liabilities it may incur in undertaking the Placing. Zeus Capital has the right to terminate the Placing 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.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the Placing Shares will commence on 27 September 2016.

5. RESOLUTIONS

The Company currently does not have sufficient authority to allot Ordinary Shares under the Act to effect the Placing. Accordingly the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot the Placing Shares on a non pre-emptive basis and to renew the Company's existing general authorities to take account of the Placing.

Resolution 1: Specific authority to allot shares

Resolution 1 is an ordinary resolution to grant authority to the Directors under section 551 of the Act to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £49,019.61 such authority expiring on 31 October 2016.

If Resolution 1 is passed the Directors will have the authority, under the Act, to allot Ordinary Shares up to the maximum aggregate nominal amount of £49,019.61 (being the maximum required for the purposes of issuing the Placing Shares).

Resolution 2: Specific disapplication of pre-emption rights

Resolution 2 is a special resolution which, if passed, will empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash pursuant to the authority conferred by Resolution 1 up to an aggregate nominal amount of £49,019.61 on a non pre-emptive basis, such authority expiring on 31 October 2016.

If passed, this authority, in conjunction with the authority proposed pursuant to Resolution 1, will enable the Directors to effect the Placing on a non pre-emptive basis.

Resolution 3: General authority to allot shares and disapplication of pre-emption rights

Resolution 3 is a special resolution, conditional upon and with effect from completion of the Placing, to:

- grant authority to the Directors under section 551 of the Act to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £124,650.00 (being equal to approximately one-third of the issued share capital of the Company immediately following Admission); and
- empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash and to sell treasury shares pursuant to such authority on a non pre-emptive basis in relation to rights issues and otherwise up to an aggregate nominal amount of £37,399.00 (being equal to approximately ten per cent. of the issued share capital of the Company immediately following Admission).

These authorities will be in addition to those being proposed to be given to the Directors pursuant to Resolutions 1 and 2 in order to effect the Placing; but will then replace existing authorities which the Company currently has in place under sections 551 and 570(1) of the Act. These new authorities will expire on the conclusion of the Company's next annual general meeting or 8 March 2017, whichever is earlier; the same expiry date as the existing authorities.

Resolution 1 is an ordinary resolution and requires a majority of more than 50 per cent. of the votes cast to be passed. Resolutions 2 and 3 are special resolutions and require the approval of not less than 75 per cent. of the votes cast to be passed. If Resolutions 1 and 2 are not passed by the requisite majority, the Placing will not proceed. Resolution 3 is in any event conditional upon completion of the Placing.

The Notice of General Meeting is contained at the end of this document and sets out the Resolutions in full. The General Meeting is to be held at The Podium, 1 Eversholt Street, Kings Cross, London NW1 2DN at 10.00 a.m. on 26 September 2016.

6 ACTION TO BE TAKEN

Enclosed with this document is a Form of Proxy for use at the General Meeting. **Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy to the Company's registrars, Capita Asset Services, so as to be received as soon as possible and, in any event, not later than 10.00 a.m. on 22 September 2016.**

If you complete and return the Form of Proxy, you may still attend and vote at the General Meeting should you wish to do so. Shareholders who hold their Ordinary Shares through a nominee should instruct their nominees to submit a Form of Proxy on their behalf.

7 RELATED PARTY TRANSACTION

Clive Dix, will subscribe for 465,686 Placing Shares pursuant to the Placing and will enter into a placing letter with Zeus Capital. Clive Dix's participation in the Placing will constitute a "related party transaction" for the purpose of AIM Rule 13.

The independent Directors, being all of the Directors other than Clive Dix, consider, having consulted with the Company's nominated adviser Zeus Capital Limited, that the terms of Clive Dix's participation in the Placing are fair and reasonable insofar as the Company's shareholders are concerned.

The level of participation in the Placing by Clive and his resulting interest in the Company is shown below:

<i>Director</i>	<i>Existing shareholding</i>	<i>Placing participation</i>	<i>Total number of shares held</i>	<i>Percentage of Enlarged Share Capital</i>
Clive Dix*	691,250	465,686	1,156,936	3.1%

*In addition, Clive Dix has options over 520,000 Ordinary Shares.

8 RECOMMENDATION

The Directors consider that the Placing and the Resolutions are in the best interests of the Company and its Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Resolutions, as they intend to do in respect of their own legal and/or beneficial shareholdings, amounting, in aggregate, to 2,617,703 Ordinary Shares (representing approximately 8.1 per cent. of the Existing Ordinary Shares).

The Company is in receipt of undertakings from Directors to vote in favour of the Resolutions representing not less than 8.1 per cent. of the Existing Ordinary Shares.

Yours faithfully

Sam Williams
Interim Chairman

NOTICE OF GENERAL MEETING

C4X DISCOVERY HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 9134041)

NOTICE IS HEREBY GIVEN that a general meeting of C4X Discovery Holdings plc (the “**Company**”) will be held at The Podium, 1 Eversholt Street, Kings Cross, London NW1 2DN on 26 September 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed, as to Resolution 1 as an Ordinary Resolution and as to Resolutions 2 and 3 as Special Resolutions.

ORDINARY RESOLUTION

1. THAT the Directors from time to time of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (as amended) (the “**Act**”) (in substitution for all previous authorities pursuant to section 551 of the Act, to the extent not utilised at the date this Resolution is passed) to exercise all the powers of the Company to allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £49,019.61 pursuant to the Placing described in the Circular to shareholders of the Company dated 6 September 2016, provided that such authority shall expire on 31 October 2016.

SPECIAL RESOLUTIONS

2. THAT, conditional upon the passing of ordinary resolution 1 relating to the authority of directors to allot equity securities, in accordance with section 570 of the Companies Act 2006, the directors be and they are hereby given power to allot equity securities pursuant to the authority conferred by resolution 1 above as if section 561 of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to the allotment or sale of equity securities for cash up to a maximum nominal value of £49,019.61 and shall (unless previously revoked, varied or renewed) expire on 31 October 2016.
3. THAT, conditional upon and with effect from completion of the Placing:
 - 3.1 in accordance with section 551 of the Act the directors be and they are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot equity securities up to an aggregate nominal value of £124,650.00 (being approximately one third of the Company’s issued share capital immediately following Admission); and
 - 3.2 the directors be and they are hereby given power to allot equity securities pursuant to the authority conferred by resolution 3.1 above, and to sell treasury shares, as if section 561 of the Companies Act 2006 did not apply to such allotment or sale, provided that this power shall be limited to:
 - 3.2.1 the allotment or sale of equity securities for cash in connection with or pursuant to an offer to the holders of equity securities and other persons entitled to participate, in proportion (as nearly as may be) to their then holdings of equity securities (or, as appropriate, the numbers of such securities which such other persons are for those purposes deemed to hold), subject only to such exclusions or other arrangements as the directors may feel necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body of, or any stock exchange in, any territory; and
 - 3.2.2 the allotment or sale of equity securities (otherwise than pursuant to sub-paragraph 3.2.1) for cash up to a maximum nominal value of £37,399.00 (being approximately ten per cent. of the Company’s issued share capital immediately following Admission), and shall (unless previously revoked, varied or renewed) expire on the earlier of the date of the next annual general meeting and 8 March 2017, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the directors may allot or sell equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

These authorities are in substitution for any and all authorities previously conferred upon the directors for the purposes of sections 551 and 561 of the Companies Act 2006, without prejudice to any allotments made pursuant to the terms of such authorities.

Dated: 6 September 2016

By order of the Board

Mark James Sullivan
Company Secretary

Registered Office:
Manchester One
53 Portland Street
Manchester
M1 3LD

NOTES TO THE NOTICE OF GENERAL MEETING

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies of their own choice to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A member can only appoint a proxy using the procedures set out in these notes and the notes to the accompanying form of proxy.
2. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one share. The proxy need not to be a member of the Company, but must attend the meeting to represent the member. Please refer to the notes to the form of proxy for further information on appointing a proxy, including how to appoint multiple proxies.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as he/she thinks fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to the resolutions) which may properly come before the meeting.
4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names of the holders stand in the Company's register of members in respect of the joint holding.
5. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member; provided that each representative is appointed to exercise the rights attached to a different share or shares held by the member.
6. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those members registered on the Register of Members at close of business on 25 August 2016 (the **Specified Time**) (or if the meeting is adjourned to a time more than 48 hours after the Specified Time, taking no account of any part of a day that is not a working day, by close of business on the day which is two working days prior to the time of the adjourned meeting) shall be entitled to attend and vote thereat in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time (taking no account of any part of a day that is not a working day), that time will also apply for the purposes of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the Register after the relevant deadline shall be disregarded in determining rights to attend and vote.

Appointment of proxy using hard copy proxy form

7. Members may appoint a proxy or proxies by completing and returning a form of proxy by post to the offices of the Company's registrars using the business reply address on the form, or in an envelope addressed to Capita Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or delivering a form of proxy by hand to such address during normal business hours. In the case of a member which is a corporation, the proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer or an attorney. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power of authority) must be included with the proxy form. Any such power of attorney or other authority cannot be submitted electronically.
8. To be effective, the appointment of a proxy, or the amendment to the instructions given for a previously appointed proxy, must be received by the Company's registrars by the method outlined in note 7 above not less than 10.00 a.m. on 22 September 2016. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Appointment of proxy using CREST electronic proxy appointment service

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (**EUI**) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Termination of proxy appointments

13. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting.
14. In order to terminate the authority of a proxy, or a corporate representative of a corporation, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke such appointment to the Company's registrars. To be effective, the notice of termination must be received by the Company's registrars by the method outlined in note 7 above no later than 10.00 am on 23 September 2016.

Voting Rights

15. As at 5 September 2016, being the latest practicable date prior to the printing of this notice, the Company's issued capital consisted of 32,496,757 ordinary shares carrying one vote each and 2,025,000 deferred shares not carrying any voting rights. Therefore, the total voting rights in the Company as at 5 September 2016, are 32,496,757.

Communications

16. This notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 5 September 2016, being the latest practicable date prior to the printing of this notice, will be available on the Company's website www.c4xdiscovery.com.
17. Except as provided above, members who have general queries about the general meeting should contact Mark Sullivan (0161 235 5085; Manchester One, 53 Portland Street, Manchester M1 3LD). No other methods of communication will be accepted. Any electronic address provided either in this notice or in any related documents (including the form of proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

Explanatory Note to the Notice of General Meeting

This explanatory note gives further information in relation to the resolutions listed in the enclosed notice of the Company's general meeting.

Resolution 1 – Authority to allot shares

The purpose of resolution 1 is to increase the directors' power to allot shares to provide the directors with the authority to issue the ordinary shares pursuant to the Placing. Section 551 of the Companies Act 2006 provides that the directors may not allot new shares (other than for employee share schemes) without shareholder authority.

Accordingly, resolution 1 will be proposed as an ordinary resolution to authorise the directors (pursuant to Section 551 of the Companies Act 2006) to allot ordinary shares of 1 pence each in the capital of the Company up to a maximum nominal amount of £49,019.61.

This authority (unless previously revoked, varied or renewed) will expire on 31 October 2016.

Resolution 2 – Disapplication of pre-emption rights

Section 561 of the Companies Act 2006 confers on shareholders rights of pre-emption in respect of the allotment of "equity securities" which are, or are to be, paid up in cash, otherwise than by way of allotment to employees under an employees' share scheme. The provisions of section 561 apply to the ordinary shares of 1 pence each of the Company, to the extent that they are not dis-applied pursuant to section 570 of the Companies Act 2006.

It is proposed that the disapplication of these statutory pre-emption rights be approved, as a special resolution, to give the directors power to allot shares without the application of these statutory pre-emption rights in relation to the issue of ordinary shares of 1 pence each in the capital of the Company for cash up to a maximum aggregate nominal amount of £49,019.61 pursuant to the Placing.

This authority (unless previously revoked, varied or renewed) will expire on 31 October 2016.

Resolution 3 – General Authority to allot shares and dis-application of pre-emption rights

The purpose of resolution 3 is to increase the directors' power to allot shares and dis-apply pre-emption rights.

Section 551 of the Companies Act 2006 provides that the directors may not allot new shares (other than for employee share schemes) without shareholder authority. Accordingly, resolution 3 authorises the directors (pursuant to Section 551 of the Companies Act 2006) to allot ordinary shares of 1 pence each in the capital of the Company up to a maximum nominal amount of £124,650.00, being approximately one-third of the nominal value of the ordinary shares in issue immediately following Admission.

Section 561 of the Companies Act 2006 confers on shareholders rights of pre-emption in respect of the allotment of "equity securities" which are, or are to be, paid up in cash, otherwise than by way of allotment to employees under an employees' share scheme. The provisions of section 561 apply to the ordinary shares of 1 pence each of the Company, to the extent that they are not dis-applied pursuant to section 570 of the Companies Act 2006. This provision also covers the sale of treasury shares (should the Company elect to hold any) for cash.

It is proposed that the disapplication of these statutory pre-emption rights be approved, as a special resolution, to give the directors power to allot shares without the application of these statutory pre-emption rights in relation to the issue of ordinary shares of 1 pence each in the capital of the Company for cash up to a maximum aggregate nominal amount of £37,399.00, (representing approximately ten per cent. of the nominal value of the ordinary shares in issue immediately following Admission).

The authority granted by resolution 3 (unless previously revoked, varied or renewed) will expire on the earlier of the date of the next annual general meeting of the Company or 8 March 2017 after the date of the passing of the resolution.

