

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA, NEW ZEALAND OR THE UNITED STATES.

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE 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, fund manager, solicitor, accountant or other appropriate independent financial adviser authorised under FSMA, if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares on or before the Record Date, please send this document and the accompanying Form of Proxy and, if relevant, the Application Form, as soon as possible to the purchaser or transferee, or the stockbroker, or to the bank or other agent through or to whom you have sold or transferred your shares, for delivery 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 on or before the Record Date, you should retain these documents and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document should be read as a whole 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, in particular, to the letter from the Chairman of the Company to Shareholders which is set out in Part I of this document which provides details of the Capital Raising and recommends that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below, and to the section headed "Risk Factors" in Part II of this document which contains a discussion of certain factors that should be considered by Shareholders when considering whether or not to make an investment in the Company.

The Company and the Directors, whose names appear on page 9 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.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares will not be admitted to trading on any other investment exchange. The New Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including in respect of the right to receive all dividends and other distributions declared, made or paid after Admission. The EIS/VCT Shares are expected to be admitted to AIM and to commence trading at 8.00 a.m. on 14 November 2019; the General Placing Shares, Subscription Shares and the Open Offer Shares are expected to be admitted to AIM and to commence trading at 8.00 a.m. on 15 November 2019.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the UK Listing Authority have examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company.

---

## C4X DISCOVERY HOLDINGS PLC

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

**Placing of 46,466,667 Placing Shares, Subscription of 200,000 Subscription Shares and  
Open Offer of up to 6,421,404 Open Offer Shares at 15 pence per New Ordinary Share**

**and**

**Notice of General Meeting**

***Nominated Adviser and Broker***

**Panmure Gordon (UK) Limited**

---

Notice of the General Meeting of C4X Discovery Holdings plc, to be held at 11.00 a.m. on 13 November 2019 at the offices of Panmure Gordon (UK) Limited, One New Change, London EC4M 9AF, 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 in accordance with the instructions set out therein as soon as possible, but in any event so as to be received by the Company's registrars, Link Asset Services, at PXS1 34 Beckenham Road, Beckenham, Kent BR3 4TU, by no later

than 11.00 a.m. on 11 November 2019. The completion and return of a Form of Proxy will not prevent a 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 the letter from the Chairman of C4X Discovery Holdings plc included in this document and in the Notice of General Meeting. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed to any other person or published in whole or in part for any purpose.

Eligible non-CREST Shareholders will find an Application Form enclosed with this document. Applications under the Open Offer may only be made by the Eligible Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the relevant Ordinary Shares are marked "ex" the entitlement by the London Stock Exchange. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer. The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 12 November 2019. The procedure for application and payment for Eligible Shareholders is set out in Part III of this document. The Placing, Subscription and Open Offer are conditional, *inter alia*, on the passing of Resolutions 1 and 3 at the General Meeting.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated in the United Kingdom by the FCA and is a member firm of the London Stock Exchange, is acting exclusively for C4X Discovery Holdings plc as nominated adviser, financial adviser and sole broker and for no one else in relation to the Capital Raising or any matters described in this document. Panmure Gordon will not regard any other person (whether or not a recipient of this document) as a client in relation to the Capital Raising and will not be responsible to anyone other than C4X Discovery Holdings plc for providing the protections afforded to clients of Panmure Gordon or for providing advice in relation to the Capital Raising or on any other matter referred to herein.

No liability whatsoever is accepted by Panmure Gordon nor does it make any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification, or for any other information, opinion or statement (whether or not made or purported to be made by it, or on its behalf), or for the omission of any information, in connection with C4X Discovery Holdings plc, the Placing, the Open Offer, the Subscription, First Admission and Second Admission and accordingly Panmure Gordon expressly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this document or any such statement, to the maximum extent permitted by law and the regulations to which it is subject. Panmure Gordon, as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers, owes certain responsibilities solely to the London Stock Exchange which are not owed to C4X Discovery Holdings plc or the Directors, Shareholders or any other person in respect of his/her decision to acquire shares in the capital of the Company in reliance on any part of this document or otherwise. Panmure Gordon has not authorised the contents of, or any part of, this document.

The maximum amount to be raised under the Open Offer shall be less than €8 million (or an equivalent amount in pounds sterling). The Placing Shares shall only be available to qualified investors for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. None of the Placing, the Subscription or the Open Offer constitutes an offer to the public requiring an approved prospectus under section 85 of FSMA, and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules made by the FCA and has not been approved by the FCA, the London Stock Exchange, any securities commission or any other authority or regulatory body. In addition this document does not constitute an admission document drawn up in accordance with the AIM Rules.

In issuing this document the Company is relying on the exemption from issuing a prospectus in section 86(1)(e) of FSMA and on paragraph 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). This document does not constitute an offer to sell or the solicitation of an offer to buy any security. Applications in respect of the Open Offer from persons not falling within such exemptions will be rejected and the Open Offer contained in this document is not capable of acceptance by such persons.

## IMPORTANT NOTICE

### Notice to overseas persons

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.

This document is for information purposes only. The Existing Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933 (as amended) (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the New Ordinary Shares may not be offered or sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States unless registered under the US Securities Act or offered in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. This document does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any New Ordinary Shares or other securities to any person with a registered address, or who is resident or located in, the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "**United States**" or "**US**")), and there will be no public offer of New Ordinary Shares in the United States. Neither the Existing Ordinary Shares nor the New Ordinary

Shares have been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

The New Ordinary Shares will not qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, Japan or New Zealand, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Placing Shares may not be offered, sold, taken up, delivered or transferred in, into or from Canada, Australia, Japan, the Republic of South Africa or New Zealand or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a "**Restricted Jurisdiction**") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction.

Overseas 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 or an Application Form to a jurisdiction outside the United Kingdom should read paragraph 7 of Part III of this document and seek appropriate advice before taking any action.

This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person in a Restricted Jurisdiction and this document is not for distribution in, into or from a Restricted Jurisdiction.

#### **Cautionary note regarding forward-looking statements**

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, results of operations, liquidity, prospects, growth, business strategy, plans and objectives of management for future operations, and the Group's markets 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 and uncertainties because they relate to future events, circumstances and other important factors beyond the Company's control that could cause the actual results, performance, developments or achievements of the Group to be materially different from the future results, performance, developments or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions, including the Directors' current view with respect to the Group's present and future business strategies and the environment in which the Group will operate in the future, and speak only as at the date of this document. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. C4X Discovery Holdings plc expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in C4X Discovery Holdings plc'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](http://www.c4xdiscovery.com) from the date of this document, free of charge. Neither the content of any website referred to in this document nor any hyperlinks on such website is incorporated in, or forms part of, this document.

## CONTENTS

	<i>Pages</i>
PLACING, SUBSCRIPTION AND OPEN OFFER STATISTICS	5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	6
DEFINITIONS	7
PART I LETTER FROM THE CHAIRMAN	12
PART II RISK FACTORS	24
PART III TERMS AND CONDITIONS OF THE OPEN OFFER	28
PART IV QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER	51
NOTICE OF GENERAL MEETING	57

## PLACING, SUBSCRIPTION AND OPEN OFFER STATISTICS

Issue Price	15 pence
Discount to middle market price on 23 October 2019	63%
Number of Existing Ordinary Shares in issue at the date of this document	57,792,636
Number of Placing Shares	46,466,667
Number of Subscription Shares	200,000
Open Offer Basic Entitlement	1 Open Offer Share for every 9 Existing Shares
Number of Open Offer Shares (in aggregate)	up to 6,421,404
Gross proceeds receivable by the Company pursuant to the Placing and Subscription	c.£7.0 million
Gross proceeds receivable by the Company pursuant to the Open Offer*	c.£1.0 million
Estimated net proceeds of the Placing, Subscription and the Open Offer receivable by the Company*	c.£7.6 million
Number of Ordinary Shares in issue immediately following Second Admission*	110,880,707
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares*	c.47.9 per cent.
Approximate market capitalisation of the Company at Second Admission at the Issue Price*	£16.6 million
ISIN – Ordinary Shares	GB00BQQ2RV18
ISIN – Basic Entitlement of Open Offer Shares	GB00BHR41662
ISIN – Excess Entitlement of Open Offer Shares	GB00BHR41779

\* Assuming take-up in full of the Open Offer by Eligible Shareholders and no further exercise of share options under any of the C4XD share option schemes

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

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

### Notes:

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

<b>“Act”</b>	the UK Companies Act 2006, as amended
<b>“Admission”</b>	First Admission or Second Admission as the context requires
<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>“Application Form”</b>	the application form relating to the Open Offer and enclosed with this document for use by Eligible non-CREST Shareholders
<b>“Basic Entitlement(s)”</b>	the <i>pro rata</i> entitlement for Eligible Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer, as described in Part III of this document
<b>“Board” or “Directors”</b>	the board of directors of the Company, whose names are listed on page 7 of this document
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public holiday) when banks are usually open for business in London
<b>“Capital Raising”</b>	the Placing, the Subscription and the Open Offer, taken together
<b>“Capital Raising Announcement”</b>	the Company’s announcement on 24 October 2019 relating to the Capital Raising
<b>“CCSS”</b>	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities
<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>“Circular” or “this document”</b>	this circular of the Company giving (amongst other things) details of the Placing, the Open Offer and incorporating the Notice of General Meeting
<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 Manual”</b>	the rules governing the operation of CREST, as published by Euroclear
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
<b>“CREST participant”</b>	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)

<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear
<b>“CREST regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 – No.3775), as amended
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members)
<b>“EIS”</b>	the Enterprise Investment Scheme
<b>“EIS Shares”</b>	the 5,809,998 new Ordinary Shares to be allotted and issued pursuant to the Placing and Open Offer Agreement to certain persons seeking to invest in “EIS/VCT Shares” for the purposes of EIS
<b>“EIS/VCT Shares”</b>	together the EIS Shares and the VCT Shares, being the 25,143,330 Placing Shares that will be offered to VCTs and to those investors seeking to claim EIS relief in relation to their investment
<b>“Eligible CREST Shareholders”</b>	Eligible Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
<b>“Eligible Non-CREST Shareholders”</b>	Eligible Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
<b>“Eligible Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date, with the exception (subject to certain exceptions) of Shareholders resident in or citizens of any Restricted Jurisdiction, who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document
<b>“Enlarged Share Capital”</b>	the issued ordinary share capital of the Company immediately following Second Admission, as enlarged by the New Ordinary Shares
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>“Excess Application Facility”</b>	the facility pursuant to which Eligible Shareholders may apply to subscribe for such number of Open Offer Shares in excess of their Basic Entitlement subject to the terms and conditions of the Open Offer set out in Part III of this document
<b>“Excess CREST Open Offer Entitlement”</b>	in respect of each Eligible CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to the Basic Entitlement credited to the Eligible CREST Shareholder’s account in CREST, pursuant to the Excess Application Facility, which is conditional on the Eligible CREST Shareholder taking up his Basic Entitlement in full and which may be subject to scaleback in accordance with the provisions of this document
<b>“Excess Entitlement(s)”</b>	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to an Eligible Shareholder pursuant to the Open Offer as described in paragraph 4 of Part III of this document

<b>“Excess Shares”</b>	the Open Offer Shares for which Eligible Shareholders may apply under the Excess Application Facility in addition to their Basic Entitlement
<b>“Ex-entitlement Date”</b>	the date on which the Existing Ordinary Shares are marked ‘ex’ for entitlement under the Open Offer being 25 October 2019
<b>“Excluded Overseas Shareholders”</b>	other than as agreed by the Company and Panmure Gordon or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction
<b>“Existing Ordinary Shares”</b>	the 57,792,636 Ordinary Shares in issue at the date of this document all of which are admitted to trading on AIM
<b>“FCA”</b>	the UK Financial Conduct Authority
<b>“Final Date”</b>	2 December 2019
<b>“First Admission”</b>	the admission of the EIS/VCT Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“Form of Proxy”</b>	the form of proxy for use by Shareholders in connection with the General Meeting which is enclosed with this document
<b>“FSMA”</b>	the UK Financial Services and Markets Act 2000 (as amended)
<b>“General Meeting”</b>	the general meeting of the Company convened for 11.00 a.m. on 13 November 2019 at which the Resolutions will be proposed, notice of which is set out at the end of this document
<b>“General Placing Shares”</b>	the 21,323,337 new Ordinary Shares to be allotted and issued which are neither EIS Shares nor VCT Shares
<b>“Group”</b>	the Company, its Subsidiaries and Subsidiary undertakings
<b>“HMRC”</b>	Her Majesty’s Revenue & Customs
<b>“ISIN”</b>	International Securities Identification Number
<b>“Issue Price”</b>	15 pence per New Ordinary 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>“New Ordinary Shares”</b>	the 53,088,071 new Ordinary Shares (being the Placing Shares, the Subscription Shares and the Open Offer Shares) to be issued by the Company pursuant to the Resolutions
<b>“Notice of General Meeting”</b>	the notice of General Meeting, set out at the end of this document
<b>“Open Offer”</b>	the proposed conditional, pre-emptive offer by the Company to Eligible Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in this document and, where relevant, in the Application Form
<b>“Open Offer Entitlements”</b>	entitlements for Eligible Shareholders to subscribe for Open Offer Shares comprised of the Basic Entitlement and the Excess Entitlement

<b>“Open Offer Shares”</b>	up to 6,421,404 new Ordinary Shares to be issued by the Company to Eligible Shareholders pursuant to the Open Offer
<b>“Ordinary Shares”</b>	the ordinary shares of one penny (£0.01) each in the share capital of the Company
<b>“Overseas Shareholders”</b>	Shareholders with registered addresses outside the United Kingdom or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the UK
<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 and Open Offer Agreement
<b>“Placing and Open Offer Agreement”</b>	the conditional agreement dated 24 October 2019 relating to the Placing and the Open Offer, between the Company and Panmure Gordon in connection with the Capital Raising, further details of which are set out in this document
<b>“Placing Shares”</b>	the 46,466,667 new Ordinary Shares (together being the General Placing Shares, the EIS Shares and the VCT Shares) which are to be conditionally subscribed for in accordance with the terms of the Placing and Open Offer Agreement
<b>“Prospectus Regulation”</b>	Commission Regulation (EU) 2017/1129 which entered into force on 21 July 2019, replacing the prospectus directive as implemented within the European Union
<b>“Receiving Agent”</b>	Link Market Services Limited trading as Link Asset Services
<b>“Record Date”</b>	close of business on 23 October 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 for Companies
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
<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, Subscription or the Open Offer would breach any applicable law
<b>“Second Admission”</b>	admission of the General Placing Shares, the Subscription Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“Securities Act”</b>	the United States Securities Act of 1933
<b>“Shareholders”</b>	the holders of Ordinary Shares from time to time, each individually a “Shareholder”

<b>“Subscription”</b>	the direct subscription with the Company for the Subscription Shares at the Issue Price by certain investors pursuant to the Subscription Letters
<b>“Subscription Letters”</b>	the subscription letters entered into between the Company and certain investors on or before the date of the Capital Raising Announcement, pursuant to which such investors have agreed to subscribe for Subscription Shares
<b>“Subscription Shares”</b>	the 200,000 new Ordinary Shares which are subject of the Subscription
<b>“Subsidiary”</b>	has the meaning given to it in section 1159 of the Act
<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
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>“USE”</b>	unmatched stock event
<b>“VCT”</b>	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
<b>“VCT Shares”</b>	the 19,333,332 new Ordinary Shares to be allotted and issued to VCTs

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.

## PART I

### LETTER FROM THE CHAIRMAN OF C4X DISCOVERY HOLDINGS PLC

#### C4X DISCOVERY HOLDINGS PLC

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

*Directors:*

Eva-Lotta Allan, *Non-Executive Chairman*

Dr Clive Dix, *Chief Executive Officer*

Bradley (Brad) Hoy, *Chief Financial Officer*

Dr Craig Fox, *Chief Scientific Officer*

Dr Alexander (Alex) Stevenson, *Non-Executive Director*

Dr Harry Finch, *Non-Executive Director*

Natalie Walter, *Non-Executive Director*

Manchester One  
53 Portland Street  
Manchester M1 3EL  
Company number: 9134041

25 October 2019

Dear Shareholder

**Placing of 46,466,667 Placing Shares, Subscription of 200,000 Subscription Shares and Open Offer of up to 6,421,404 Open Offer Shares at 15 pence per New Ordinary Share and**

#### **NOTICE OF GENERAL MEETING**

##### **1. INTRODUCTION**

I am pleased to inform you that the Board announced today that the Company proposes to raise, subject to certain conditions, approximately £7.0 million (before fees and expenses) by way of a placing of 46,466,667 Placing Shares with existing Shareholders and new institutional investors at the Issue Price of 15 pence per share. Concurrently with the Placing, the Directors of the Company have subscribed (in aggregate) for 200,000 Subscription Shares at the Issue Price. The Issue Price represents a 63 per cent. discount to the closing middle market price per Ordinary Share of 40.5 pence on 23 October 2019, being the last practicable date prior to publication of this document.

It was further announced today that, in addition to the Placing and Subscription, in order to provide existing Shareholders who have not taken part in the Placing with an opportunity to participate in the proposed issue of New Ordinary Shares, the Company is providing all Eligible Shareholders with the opportunity to subscribe for an aggregate of up to 6,421,404 Open Offer Shares, to raise up to approximately £1.0 (before expenses), on the basis of 1 Open Offer Share for every 9 Existing Ordinary Shares held on the Record Date, at the Issue Price. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility. Assuming a full take-up by Eligible Shareholders under the Open Offer, the issue of the Open Offer Shares will raise further gross proceeds of up to approximately £1.0 million for the Company. The Board believes that existing Shareholders should have the opportunity to further invest in the Company at the same price as those investors and Directors who are involved in the Placing and Subscription and accordingly, Part III of this document sets out the terms of the Open Offer.

Panmure has conditionally agreed, pursuant to the terms of the Placing and Open Offer Agreement, to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing comprises 46,466,667 Placing Shares. The Placing Shares are not subject to clawback and are not part of the Open Offer.

The Placing, Subscription and Open Offer are conditional (amongst other things) upon the passing of the Resolutions to ensure that the Directors have the necessary authorities and powers to allot the New Ordinary Shares for cash and on a non pre-emptive basis in respect of the Placing Shares. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 11.00 a.m. on 13 November 2019 at the offices of Panmure Gordon (UK) Limited, One New Change, London EC4M 9AF.

If the Resolutions are not passed, the Company will be unable to issue the New Ordinary Shares. If the conditions relating to the issue of the Placing Shares are not satisfied, or the Placing and Open Offer Agreement is terminated in accordance with its terms, the Placing Shares will not be issued and the Company will not receive the related Placing monies. In this scenario, the Open Offer and Subscription will similarly not proceed.

The purpose of this document is to: (i) provide you with details of and the reasons for the Capital Raising; (ii) explain why the Directors believe the Capital Raising to be in the best interests of the Company and its Shareholders and why they recommend that you vote in favour of the Resolutions; and (iii) to convene the General Meeting. The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 2,269,597 Ordinary Shares representing approximately 3.93 per cent. of the Existing Ordinary Shares.

Further information about the Capital Raising and the Company's current trading and prospects is set out below. Your attention is drawn to:

- (a) Paragraph 4 of Part III of this document which sets out the actions to be taken by Eligible Shareholders seeking to participate in the Open Offer;
- (b) Part III of this document which sets out questions and answers about the Open Offer; and
- (c) The Notice of the General Meeting on page 50 of this document and paragraphs 11 and 12 of this letter which explain the purpose of the General Meeting and action to be taken by you in relation to the Notice of General Meeting.

## **2. BACKGROUND TO THE PLACING AND SUBSCRIPTION**

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

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

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

C4XD completed their first licensing deal in March 2018 with Indivior UK Limited ("Indivior") to further develop and commercialise C4XD's oral Orexin-1 receptor antagonist ("C4X3256") for the treatment of addiction. The Directors believe this licensing agreement validates C4XD's business model and the drug discovery engine that the Company has built. Under the terms of the agreement, C4XD received

an upfront payment of US\$10 million and could receive up to US\$284 million of potential development, regulatory and commercialisation milestones in addition to royalties. In turn, Indivior received a global and exclusive licence to C4X3256 and all other compounds in the same patent family and is responsible for the cost and execution of all further development of C4X3256. The agreement covers the development of Orexin-1 antagonists for multiple indications. In September 2019, Indivior announced that it had been awarded a NIH HEAL grant for the application entitled “Clinical Evaluation of C4X3256, a Non-Opioid, Highly-Selective Orexin-1 Receptor Antagonist for the Treatment of Opioid Use Disorder”, providing funding for key Phase I and Phase II enabling studies.

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

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

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

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

### **3. REASONS FOR THE PLACING, SUBSCRIPTION AND OPEN OFFER**

The next stage of C4XD's development will focus on accelerating its drug discovery engine and growing its pipeline of discovery programmes and out-license assets for clinical development to leading pharma companies. To support the Company's execution of its strategy, C4XD is seeking to raise approximately £7.0 million by way of the Placing and the Subscription and up to approximately £1.0 million pursuant to the Open Offer to further support corporate development and on-going commercial activities. In particular, the Company intends to use the net proceeds of the Placing, Subscription and Open Offer for:

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

### **4. CURRENT TRADING**

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

In November 2018, C4XD announced that it had entered into a drug discovery partnership with GTN, a disruptive new player in the field of drug discovery artificial intelligence (“AI”), initially focusing on identifying potential small molecule hits against a high-value neurodegeneration target, adding another commercially attractive programme to C4XD's portfolio.

In November 2018, C4XD announced that it had entered into a discovery partnership with LifeArc®, one of the UK's leading medical research charities. C4XD and LifeArc will collaborate to progress medicinal chemistry efforts on a novel, commercially attractive programme with applicability across oncology and inflammation indications. The initial phase of the collaboration with LifeArc has been successful.

In initial studies, multiple hit compounds have progressed with the aim of generating a lead series with *in vivo* activity for oncology and inflammatory indications by Q2 2020. The Directors believe that significant industry activity from multiple pharmaceutical companies for the target of interest at recent scientific meetings supports the ongoing partnering potential of this programme.

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

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

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

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

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

## 5. OUTLOOK

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

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

In line with the Group's growth ambitions and strategy to grow the Group's pipeline to generate more licensing opportunities, the Group will continue to explore additional funding opportunities which may include additional equity raises.

## 6. EIS AND VCT

The Company received advance assurance on 19 September 2019 from HMRC that it is a qualifying company for the purposes of the Enterprise Investment Scheme ("EIS Advance Assurance"). Accordingly, the Company expects HMRC to authorise the Company to issue compliance certificates under section 204(1), ITA 2007 in respect of the EIS Shares to be issued, following receipt of a form EIS1 satisfactorily completed following the issue of shares to investors seeking EIS Relief for their investment. As of 2 January 2018, HMRC can no longer consider VCT advance assurance applications where the details of the potential qualifying holding are not given.

The Directors believe that the EIS Shares and VCT Shares should be eligible (subject to the circumstances of investors) for tax reliefs under EIS and as a qualifying holder for VCTs. The Directors are not aware of any subsequent change in the qualifying conditions or the Company's circumstances that would prevent the EIS Shares and VCT Shares from being eligible VCT and EIS investments on this occasion. However, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in EIS Shares or VCT Shares pursuant to this document or the Placing, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

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

## 7. DETAILS OF THE PLACING, SUBSCRIPTION AND OPEN OFFER

### The Placing and Subscription

The Company proposes to raise approximately £7.0 million (before expenses) by way of a conditional, non-pre emptive placing of 46,466,667 Placing Shares and 200,000 Subscription Shares at the Issue Price. The Placing Shares will, pursuant to the Placing and Open Offer Agreement, be placed by Panmure Gordon, as agent for the Company, with institutional and other professional investors. The Company has conditionally agreed to issue the Subscription Shares at the Issue Price to certain Directors pursuant to the Subscription.

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

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

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

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

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

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

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

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

### **The Open Offer**

The Company is proposing to raise up to approximately £1.0 million before expenses by the issue of up to 6,421,404 Open Offer Shares under the Open Offer at the Issue Price, payable in full on acceptance. Any Basic Entitlements to Open Offer Shares not subscribed for by Eligible Shareholders will be made available to Eligible Shareholders under the Excess Application Facility. The balance of

any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to the Placées under the Placing or pursuant to the Subscription.

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

## **Details of the Open Offer**

### **Structure**

The Directors have considered the best way to structure the Open Offer, having regard to, *inter alia*, the importance of pre-emption rights to all Shareholders, the extent to which there are Overseas Shareholders, the regulatory requirements applicable to companies listed on AIM, cost implications and market risks. After considering these factors, the Directors have concluded that the most suitable structure for the Open Offer, for both the Company and its Shareholders as a whole, is that the Open Offer be made only to Eligible Shareholders who are not resident or located in any Restricted Jurisdiction. The Open Offer provides an opportunity for all Eligible Shareholders to acquire Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares as at the Record Date with the option for subscribing for more shares pursuant to the Excess Application Facility. The Issue Price for the Open Offer is the same as the Issue Price in the Placing and Subscription. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

### **Conditions**

The Open Offer is conditional on:

- the passing of the Resolutions to be proposed at the General Meeting;
- First Admission having occurred; and
- Second Admission having occurred not later than 8.00 a.m. on 15 November 2019 (or such later time and/or date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 2 December 2019).

Accordingly, if any such conditions are not satisfied, the Open Offer will not proceed.

Further terms of the Open Offer are set out in Part III of this Circular and in the Application Form.

### **Basic Entitlement**

Subject to the fulfilment of the conditions referred to above and set out below and also set out in Part III of this Circular, Eligible Shareholders are being given the opportunity to subscribe for the Open Offer Shares at the Issue Price, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

#### **1 Open Offer Share for every 9 Existing Ordinary Shares**

Eligible Shareholders are also being given the opportunity, provided that they take up their Basic Entitlement in full, to apply for Excess Entitlements through the Excess Application Facility.

Assuming full take-up under the Open Offer, the issue of the Open Offer Shares will raise gross proceeds of approximately £1.0 million for the Company. The Open Offer is not underwritten. The Open Offer Shares will, when issued, be credited as fully paid and rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and other distributions thereafter declared, made or paid on the Enlarged Share Capital.

Fractions of Open Offer Shares will not be allotted. The terms of the Open Offer provide that each Eligible Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. Eligible Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Basic Entitlements.

To enable the Company to benefit from applicable exemptions to the requirement under the Prospectus Rules to prepare a prospectus in connection with the Open Offer, a maximum of 6,421,404 Open Offer Shares, representing a total consideration of approximately £1.0 million will be made available to Eligible Shareholders under the Open Offer.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded.

Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 91.9 per cent. following the Placing, the Subscription and the Open Offer (assuming full subscription under the Open Offer). Shareholders who take up their Basic Entitlements in full will suffer a dilution to their interests of 42.1 per cent. on the same basis.

Eligible Shareholders should note that the Open Offer Shares have not been placed under the Placing (or Subscription), are not subject to clawback under the Open Offer nor have they been underwritten, and that neither the Placing nor the Subscription are conditional upon the number of applications received under the Open Offer.

### ***Excess Application Facility***

The Excess Application Facility will enable Eligible Shareholders, provided that they take up their Basic Entitlement in full, to apply for Excess Entitlements. Eligible Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlement should complete the relevant sections on the Application Form. Eligible CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 4 of Part III of this Circular for information on how to apply for Excess Entitlement pursuant to the Excess Application Facility.

Applications for Excess Entitlements will be satisfied only and to the extent that corresponding Applications by other Eligible Shareholders are not made or are made for less than their Basic Entitlements. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

### ***Eligible CREST Shareholders***

Application will be made for the Basic Entitlements and Excess Entitlements in respect of Eligible CREST Shareholders to be admitted to CREST. It is expected that such Basic Entitlements and Excess Entitlements will be admitted to CREST by 3.00 p.m. on 28 October 2019. Applications through the means of the CREST system may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Eligible Non-CREST Shareholders will receive an Application Form with this Circular which sets out their entitlement to Open Offer Shares as shown by the number of Basic Entitlements allocated to them. Eligible CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlements by 3.00 p.m. on 28 October 2019. Eligible CREST Shareholders should note that although the Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Basic Entitlements not taken up will immediately lapse.

Eligible CREST Shareholders should note that the relevant CREST instructions must have been settled as set out in this Circular by no later than 11.00 a.m. on 12 November 2019.

### ***Eligible Non-CREST Shareholders***

Eligible Non-CREST Shareholders will receive an Application Form with this Circular which sets out their entitlement to Open Offer Shares as shown by the number of Basic Entitlements allocated to them. Eligible Non-CREST Shareholders, should send completed Application Forms, accompanied by full payment, by post or by hand (during normal business hours only) to Link Asset Services, Corporate

Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received by them by no later than 11.00 a.m. on 12 November 2019.

### ***Other information relating to the Open Offer***

It is anticipated that the Open Offer will result in the issue of in aggregate up to 6,421,404 Open Offer Shares, (representing approximately 5.8 per cent. of the Enlarged Share Capital of the Company), assuming full take up under the Open Offer and assuming no further exercise of C4XD share options. The Open Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued. Following the issue of the Open Offer Shares pursuant to the Open Offer and assuming that the Open Offer is taken up in full and there is no further exercise of C4XD share options, Eligible Shareholders who do not subscribe for any of their Open Offer Entitlements will suffer a dilution of approximately 91.9 per cent. to their interests in the Company.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part III of this Circular and on the Application Form.

### **Action to be taken in respect of the Open Offer**

#### ***Eligible Non-CREST Shareholders***

If you are an Eligible Non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Basic Entitlement allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Basic Entitlement or both your Basic Entitlement and any Excess Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4 of Part III of this Circular and on the Application Form itself.

#### ***Eligible CREST Shareholders***

If you are an Eligible CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this Circular and you will instead receive a credit to your appropriate stock account in CREST in respect of the Basic Entitlement and Excess Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are not an Eligible Shareholder or you are an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction. Applications by Eligible CREST Shareholders for Excess Entitlements in excess of their Basic Entitlement should be made in accordance with the procedures set out in paragraph 4 of Part III of this Circular.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 12 November 2019. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Basic Entitlement credited to your stock account in CREST in respect of such entitlement.

The procedures for application and payment are set out in Part III of this Circular. Eligible CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this Circular and the Open Offer.

#### ***Notice to Overseas Shareholders***

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 7 of Part III of this Circular, which sets out the restrictions applicable to such persons. **If you are an Overseas Shareholder, it is important that you pay particular attention to paragraph 7 of Part III of this Circular.**

The New Ordinary Shares have not been, nor will be, registered under the US Securities Act or the securities laws of any state or jurisdiction of the United States, and the New Ordinary Shares may not be offered or sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States to, or for the account or benefit of, a US person (as that term is defined in Regulation S under

the US Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and such other applicable state securities laws of any state or other jurisdiction of the United States.

Accordingly, the New Ordinary Shares are being offered only (i) outside the United States in reliance upon Regulation S under the US Securities Act in offshore transactions or (ii) to Accredited Investors in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act, in each case to investors who will be required to make certain representations to the Company and others prior to the investment in the New Ordinary Shares.

Until 40 days after Admission, an offer or sale of the New Ordinary Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than pursuant to an available exemption from registration under the US Securities Act.

The New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States 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, the Subscription or the Open Offer or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

## **8. ADMISSION AND DEALINGS**

Applications will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions at the General Meeting, First Admission will occur and dealings will commence in the EIS/VCT Shares on 14 November 2019 at 8.00 a.m. (or such later date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 29 November 2019) and Second Admission will occur and dealings will commence in the General Placing Shares, Subscription Shares and Open Offer Shares on 15 November 2019 at 8.00 a.m. (or such later date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 2 December 2019).

## **9. EFFECT OF THE PLACING, SUBSCRIPTION AND OPEN OFFER**

The EIS/VCT Shares are expected to be issued on or around 14 November 2019 and the General Placing Shares, the Subscription Shares and the Open Offer Shares are expected to be issued on or around 15 November 2019, conditional on First Admission and Second Admission respectively. Assuming completion of the Placing, the Subscription and full take up of all Open Offer Shares offered under the Open Offer, upon Second Admission, the Enlarged Share Capital is expected to be 110,880,707 Ordinary Shares. On this basis, the New Ordinary Shares, will represent approximately 47.9 per cent. of the Enlarged Share Capital.

## 10. RELATED PARTY TRANSACTION

Certain Directors in the Company have subscribed for Subscription Shares in connection with the Capital Raising. The number of Subscription Shares conditionally subscribed for by each such Director pursuant to the Capital Raising, and their resulting shareholdings on Admission, are set out below:

<i>Shareholder</i>	<i>Existing Ordinary Shares held</i>	<i>Number of Existing Ordinary Shares held as a percentage of all Existing Ordinary Shares</i>	<i>Number of Subscription Shares subscribed for</i>	<i>Ordinary Shares held post-Admission*</i>	<i>Percentage of Enlarged Share Capital held*</i>
Clive Dix	1,455,586	2.5%	133,334	1,588,920	1.43%
Natalie Walter	0	0	66,666	66,666	0.06%

\* assuming the Open Offer is fully subscribed

The participation of certain Directors as stated above will be related party transactions for the purposes of the AIM Rules. The Directors who are independent of the related party transaction, being Eva-Lotta Allan, Brad Hoy, Craig Fox, Alex Stevenson and Harry Finch, having consulted with Panmure Gordon, the Company's nominated adviser for the purposes of the AIM Rules, considers the terms of the participations of each of Clive Dix and Natalie Walter in the Capital Raising to be fair and reasonable insofar as Shareholders are concerned.

## 11. RESOLUTIONS

The Company currently does not have sufficient authority to allot all of the New Ordinary Shares proposed to be issued in respect of the Placing, Subscription and the Open Offer. Accordingly, the Resolutions, summarised below, are being proposed at the General Meeting to ensure that the Directors have sufficient authority to allot all of the New Ordinary Shares on a non-pre-emptive basis and to renew the Company's existing general authorities further to the Capital Raising.

### **Resolution 1: Specific authority to allot the Placing Shares, the Subscription Shares and the Open Offer Shares (the "Specific Authority")**

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) in connection with the Placing, Subscription and the Open Offer up to an aggregate nominal amount of £530,880.71, such authority shall (unless previously revoked, varied or renewed) expire on 2 December 2019.

If Resolution 1 is passed the Directors will have the authority, under the Act, to allot Ordinary Shares up to a maximum aggregate nominal amount of £530,880.71 (being the maximum required for the purposes of issuing the New Ordinary Shares in full).

### **Resolution 2: General authority to allot shares and disapplication of pre-emption rights (the "General Authority")**

Resolution 2 is an ordinary resolution, conditional upon and with effect from completion of the Placing, the Subscription and the Open Offer, to grant a general 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 £369,602 (being equal to approximately one-third of the issued share capital of the Company immediately following Second Admission).

### **Resolution 3: Disapplication of pre-emption rights in respect of the Specific Authority**

Resolution 3 is a special resolution, conditional upon the passing of Resolution 1, to empower the Directors, pursuant to section 570(1) of the Act, to allot equity securities for cash on a non-pre-emptive basis in relation to the Placing, the Subscription and the Open Offer up to an aggregate nominal value of £530,880.71 and shall (unless previously revoked, varied or renewed) expire on 2 December 2019.

#### **Resolution 4: Disapplication of pre-emption rights in respect of the General Authority**

Resolution 4 is a special resolution, conditional upon the passing of Resolution 2, to 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 £110,881 (being equal to approximately ten per cent. of the issued share capital of the Company immediately following Second Admission).

Resolutions 2 and 4 will be in addition to those being proposed to be given to the Directors pursuant to Resolutions 1 and 3 in order to effect the Placing, the Subscription and the Open Offer; 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 same expiry date as the existing authorities, that is either the conclusion of the Company's next annual general meeting or 30 April 2020, whichever is earlier.

Resolutions 1 and 2 are ordinary resolutions and require a majority of more than 50 per cent. of the votes cast to be passed.

Resolutions 3 and 4 are special resolutions and require the approval of not less than 75 per cent. of the votes cast to be passed.

If Resolution 1 is not passed by the requisite majority, the Placing, the Subscription and the Open Offer will not proceed. Resolution 3 is in any event conditional upon Resolution 1 being passed.

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 offices of Panmure Gordon (UK) Limited, One New Change, London EC4M 9AF at 11.00 a.m. on 13 November 2019.

#### **12. 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, Link Asset Services, so as to be received as soon as possible and, in any event, by no later than 11.00 a.m. on 11 November 2019.**

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.

#### **13. RECOMMENDATION**

**The Directors consider that the Placing, the Subscription and the Open Offer 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 2,269,597 Ordinary Shares (representing approximately 3.93 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 3.93 per cent. of the Existing Ordinary Shares.

Yours faithfully

**Eva-Lotta Allan**  
*Non-executive Chairman*

## PART II

### RISK FACTORS

Potential investors should carefully consider the risks described below before making a decision to invest in the Company. This Part II contains what the Directors believe to be certain of the principal risk factors associated with an investment in the Company. It should be noted that this list is not exhaustive and that other risk factors will apply to an investment in the Company. If any of the following risks actually occur, the Company's business, financial condition and/or results or future operations could be materially adversely affected. In such circumstances, the trading price of the New Ordinary Shares could decline and an investor may lose all or part of their investment. There can be no certainty that the Company will be able to implement successfully the strategy set out in this document or documents referred to in this document. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial, may also have an adverse effect on the Company.

This document contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document. Prospective investors should carefully consider the other information in this document. The risks listed below do not necessarily comprise all the risks associated with an investment in the Company.

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an independent financial adviser duly authorised under FSMA and who specialises in advising upon the acquisition of shares and other securities before making a decision to invest.

References to the Company are also deemed to include, where appropriate, each member of the Group.

#### 1. Risks relating to the Company and its business

##### ***The Group's success largely depends on its ability to successfully out-license product candidates***

The Group's strategy includes seeking partners for the development and future commercialisation of its pre-clinical product candidates. The Company seeks to enter into licensing agreements which provide the Company with potential milestone payments, fees and potentially royalties with the third party partner being responsible for the future development of the product. The timing of potential licensing arrangements and the potential revenue that such arrangements can generate is highly uncertain. The Company may be unable to establish commercial arrangements on favourable terms, or at all, and any such arrangement or agreement reached may not generate substantial revenue. Clinical and commercial milestone payments and royalties which may be agreed as part of a licensing arrangement are dependent on the clinical and commercial success of a product being developed by the licensee which will be outside of the control of the Company and cannot be guaranteed.

##### ***The Group may not be successful in its efforts to use and expand its technology platform and to build a pipeline of product candidates for out-licensing.***

The Group uses its proprietary technology platforms and partner's platforms to discover and refine its product candidates. The Group's success is dependent on the Group's ability to develop an ongoing portfolio of product candidates using this technology such that the Group has a sufficient pipeline to enable multiple licensing opportunities. The Group's success is also dependent on its ability to use technology platforms that provide the Company with competitive advantage. There can be no guarantee that the Company will be able to use and expand its technology platforms successfully to maintain a competitive edge and generate sufficient product candidates which could be attractive to potential partners.

### ***Dependence on key executives and personnel***

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

### ***Loss-making and requirement for additional funding***

The Group is currently loss making and the funds raised pursuant to the Capital Raising are not envisaged by the Directors to be sufficient to fund the Group through to break even. In particular, whilst the use of proceeds of the Capital Raising are expected to provide working capital for 12 months, this assumes that the funds will be used primarily on the Group's near term portfolio and technologies and will not be sufficient to significantly expand the current pipeline. In line with the Group's growth ambitions and strategy to grow the Group's pipeline to generate more licensing opportunities, the Group will continue to explore additional funding opportunities which may include additional equity raises. There can be no guarantee that the Group can raise sufficient funding to continue operations as currently envisaged on terms that are acceptable to Shareholders or at all.

### ***Competition***

It is possible that other biotechnology companies might develop rival products that prove to be superior or more cost effective than those being developed by C4XD or that are more successful at generating lead candidates for licensing opportunities.

### ***Business strategy may change***

The future success of the Company will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Group currently operates or expects to operate. If such changes were to materialise the Directors may decide to change certain aspects of the Group's strategy. This might entail the development of alternative products and services, which would place additional strain on the Company's capital resources and may have an adverse impact on the revenues and profitability of the Group.

### ***Management of growth***

The ability of the Group to implement its strategy requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management and operational, financial and personnel resources. Therefore, the Group's future growth and prospects will depend on its ability to manage this growth. The Group's objectives may not be fulfilled. The value of an investment in the Company is dependent upon the Company achieving the aims set out in this document. There can be no guarantee that the Company will achieve the level of success that the Board expects.

### ***Trading risks***

There is a risk that if all or a significant part of the Group's business underperforms, the proposed investment programme may need to be reduced or curtailed accordingly, despite the funding from the Capital Raising. Current trading remains volatile and there are risks as well as opportunities across all the sectors in which the Group operates.

### ***Economic, political, judicial, administrative, taxation or other regulatory factors***

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Group operates and conducts its principal activities, which are currently in the United Kingdom.

### ***Maintenance of qualifying EIS/VCT status***

The Company received advance assurance on 19 September 2019 from HMRC that it is a qualifying company for the purposes of the Enterprise Investment Scheme (“EIS Advance Assurance”). Accordingly, the Company expects HMRC to authorise the Company to issue compliance certificates under section 204(1), ITA 2007 in respect of the EIS Shares to be issued, following receipt of a form EIS1 satisfactorily completed following the issue of shares to investors seeking EIS Relief for their investment. As of 2 January 2018, HMRC can no longer consider VCT advance assurance applications where the details of the potential qualifying holding are not given.

The Directors believe that the EIS Shares and VCT Shares should be eligible (subject to the circumstances of investors) for tax reliefs under EIS and as a qualifying holder for VCTs. The Directors are not aware of any subsequent change in the qualifying conditions or the Company’s circumstances that would prevent the EIS Shares and VCT Shares from being eligible VCT and EIS investments on this occasion. However, neither the Directors nor the Company gives any warranty or undertaking that relief will be available in respect of any investment in EIS Shares and VCT Shares pursuant to this document or the Capital Raising, nor do they warrant or undertake that the Company will conduct its activities in a way that qualifies for or preserves its status.

The Directors intend to manage the Company so as to maintain the status of the Company and its shares as a qualifying company for EIS purposes and as a qualifying VCT investment, however, there is no certainty that they can continue to do so.

### ***Taxation risk***

Any change in the Company’s tax status or in taxation legislation or its interpretation, could affect the Company’s ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is subject to change.

### ***Brexit***

C4XD has considered the potential impact of Brexit on the business and perceives the risk to be minimal. The Company will continue to review the situation, in particular the harmonisation of drug approval regulations and patent law, as well as any potential impact on existing staff and planned staff recruitment caused by any changes in immigration legislation.

## **2. Risk factors associated with the Open Offer Shares**

***It may be difficult to realise an investment on AIM. The market price of the Ordinary Shares may fluctuate widely in response to different factors.***

The Open Offer Shares will be quoted on AIM rather than the Official List. The AIM Rules for Companies are less demanding than those of the Official List and an investment in a share that is traded on AIM may carry a higher risk than an investment in shares listed on the Official List. The share price of publicly traded companies can be highly volatile.

It may be more difficult for an investor to realise his or her investment in the Company than to realise an investment in a company whose shares or other securities are listed on the Official List or other similar stock exchange. Shares held on AIM are perceived to involve higher risks. AIM has been in existence since 1995 and is a market designed for small and growing companies but its future success and liquidity as a market for the Ordinary Shares cannot be guaranteed.

The price at which the Ordinary Shares are traded and the price at which investors may realise their investment are influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. admission to AIM does not imply that there will be a liquid market for the Ordinary Shares. Consequently, the price of the Ordinary Shares may be subject to fluctuations on small volumes of shares, and the Ordinary Shares may be difficult to sell at a particular price.

**To the extent that Shareholders do not take up their entitlement of Open Offer Shares, their proportionate ownership and voting interest in the Company will be reduced. In addition, Shareholders' proportionate ownership and voting will be further reduced pursuant to the Placing, the Subscription and to the extent Open Offer Shares are issued pursuant to the Excess Application Facility.**

**The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.**

## PART III

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

- 1.1 As explained in the letter from the Chairman set out in Part I of this document, the Company proposes to raise approximately £7.0 million by way of the Placing and Subscription and is proposing to raise up to approximately £1.0 million pursuant to the Open Offer (together, approximately £7.6 million net of expenses).
- 1.2 The purpose of this Part III is to set out the terms and conditions of the Open Offer. Up to 6,421,404 Open Offer Shares will be issued through the Open Offer. Eligible Shareholders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer. The Open Offer will not be underwritten.
- 1.3 The Record Date for entitlements under the Open Offer for Eligible Shareholders is close of business on 23 October 2019.
- 1.4 Subject to availability, the Excess Application Facility will enable Eligible Shareholders to apply for Excess Shares. Further details in relation to the Excess Application Facility are set out in Part IV "Questions and Answers about the Open Offer" in this document and the Application Form.
- 1.5 This document and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part III "Terms and Conditions of the Open Offer" which gives details of the procedure for application and payment for the Open Offer Shares and any Excess Shares applied for pursuant to the Excess Application Facility.
- 1.6 The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares and the Placing Shares and Subscription Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.7 Any Eligible Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the Ex-entitlement Date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

#### 2. The Open Offer

- 2.1 Subject to the terms and conditions set out below and, where relevant, in the Application Form, Eligible Shareholders are being given the opportunity under the Open Offer to subscribe for Open Offer Shares at the Issue Price, payable in full on application. The Issue Price for the Open Offer Shares is the same as the Issue Price for the Placing Shares and the Subscription Shares and represents a discount of 63 per cent. to the closing middle market price of 40.5 pence per Existing Ordinary Share on 23 October 2019 (being the last practicable dealing day prior to the date of this document).
- 2.2 Eligible Shareholders will have Open Offer Entitlements of:

**1 Open Offer Share for every 9 Existing Ordinary Shares  
registered in their name on the Record Date**

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility.

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

- 2.4 If you are a Eligible Non-CREST Shareholder, you will have received an Application Form which gives details of your entitlements under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you). If you wish to apply for the number of Open Offer Shares you are entitled to under the Open Offer (as shown by the number of Open Offer Entitlements allocated to you) or more or less Open Offer Shares than you are entitled to under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4.5 of Part III of this document and on the Application Form itself.
- 2.5 If you hold your Existing Ordinary Shares in CREST, no Application Form is enclosed and you will receive a credit of Open Offer Entitlements to your CREST Stock Account. Please refer to paragraph 4.6 and paragraphs 5 to 12 of this Part III and also to the CREST Manual for further information on the CREST procedures referred to below.
- 2.6 Subject to availability, the Excess Application Facility will enable Eligible Shareholders, provided they have taken up their Basic Entitlement in full, to apply for further Open Offer Shares in excess of their Basic Entitlement. Further details in relation to the Excess Application Facility are set out in paragraph 4 of this Part III and in Part IV “Questions and Answers about the Open Offer”.
- 2.7 If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, such applications may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Eligible Shareholders will be met in full or at all.
- 2.8 Please refer to paragraph 4 of this Part III “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.
- 2.9 Eligible Shareholders should be aware that the Open Offer is not a rights issue. Eligible CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear’s Claims Processing Unit. Eligible Non-CREST Shareholders should note that their respective Application Forms are not negotiable documents and cannot be traded. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Eligible Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.
- 2.10 The attention of Overseas Shareholders is drawn to paragraph 7 of this Part III.
- 2.11 Existing Ordinary Shares are already admitted to trading on AIM. Applications will be made for the EIS/VCT Shares together, and for the General Placing Shares, Subscription Shares and Open Offer Shares together to be admitted to trading on AIM. First Admission and the commencement in dealings in the EIS/VCT Shares is expected to occur on or around 8.00 a.m. on 14 November 2019. Second Admission and the commencement of dealings in the General Placing Shares, the Subscription Shares and the Open Offer Shares is expected to occur on or around 8.00 a.m. on 15 November 2019.
- 2.12 The Existing Ordinary Shares are already admitted to CREST. Accordingly, no further application for admission to CREST will be required for the New Ordinary Shares; all Open Offer Shares, when issued and fully paid, may be held and transferred by means of CREST.
- 2.13 The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.
- 3. Conditions and further terms of the Open Offer**
- 3.1 The Open Offer is conditional on the Placing and the Subscription becoming or being declared unconditional in all respects and the Placing and Open Offer Agreement not being terminated before First Admission. The other principal conditions to the Open Offer are:

- (a) the Resolutions being passed at the General Meeting;

- (b) the Placing and Open Offer Agreement having become unconditional and not terminated before Second Admission;
  - (c) the First Admission becoming effective by no later than 8.00 a.m. on 14 November 2019 (or such later date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 29 November 2019); and
  - (d) Second Admission becoming effective by no later than 8.00 a.m. on 15 November 2019 (or such later date as Panmure Gordon and the Company may agree, being not later than 8.00 a.m. on 2 December 2019).
- 3.2 Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and any applications made by Eligible Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.
- 3.3 No temporary documents of title will be issued in respect of Open Offer Shares.
- 3.4 Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Eligible Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 14 days of allotment.
- 3.5 In respect of those Eligible Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, Open Offer Shares are expected to be credited to their Stock Accounts maintained in CREST by 15 November 2019.
- 3.6 If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will notify the London Stock Exchange and make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### **4. Procedure for application and payment**

- 4.1 The action to be taken by a Eligible Shareholder in respect of the Open Offer depends on whether, at the relevant time, a Eligible Shareholder has an Application Form in respect of his or her entitlement under the Open Offer or the Basic Entitlements and Excess Entitlements credited to his or her CREST Stock Account in respect of such entitlement.
- 4.2 Eligible Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Eligible Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Eligible Shareholders to deposit entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.6(g) of this Part III.
- 4.3 CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.
- 4.4 Eligible Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.
- 4.5 If you have an Application Form in respect of your entitlement under the Open Offer (because you are an Eligible Non-CREST Holder):
- (a) **General**  
Subject to paragraph 7 of Part III "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, all Eligible Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 4. It also shows the Basic Entitlement allocated to

them set out in Box 5. Entitlements to Open Offer Shares are rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be aggregated and made available under the Excess Application Facility. Box 6 shows how much Eligible Shareholders would need to pay if they wish to take up their Basic Entitlement in full. Eligible Shareholders may apply for less than their Basic Entitlement should they wish to do so.

- (i) Eligible Shareholders may apply for more than the amount of their Basic Entitlement under the Excess Application Facility should they wish to do so, provided that they have agreed to take up their Basic Entitlement in full. The Excess Application Facility enables Eligible Shareholders to apply for Excess Shares. The Excess Shares may be allocated in such manner as the Directors (having consulted with Panmure Gordon) may determine in their absolute discretion and no assurance can be given that excess applications by Eligible Shareholders will be met in full or in part or at all.
  - (ii) The instructions and other terms set out in the Application Form part of the terms of the Open Offer.
- (b) ***Bona fide market claims***
  - (i) Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made by the Eligible Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Application Forms may not be sold, assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 8 November 2019. The Application Form is not a negotiable document and cannot be separately traded. An Eligible Shareholder who has sold or otherwise transferred all or part of his or her holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should contact his or her broker or other professional adviser authorised under FSMA through whom the sale or purchase was effected as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).
  - (ii) Eligible Shareholders who have sold all or part of their registered holding should, complete Box 8 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States of America, any Restricted Jurisdiction, nor in or into any other jurisdiction where the extension of the Open Offer would breach any applicable law or regulation. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form.
- (c) ***Application procedures***
  - (i) Eligible Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Basic Entitlement or in addition to their Basic Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Eligible Shareholders may only apply for Excess Shares if they have agreed to take up their Basic Entitlements in full. The Excess Shares may be allocated in such manner as the Directors may determine in their absolute discretion and no assurance can be given that excess applications by Eligible Shareholders will be met in full or in part or at all.
  - (ii) Completed Application Forms should be posted to Link Asset Services, Corporate Actions, 34 Beckenham Road, Beckenham, Kent BR3 4TU or returned by hand (during normal business hours only) so as to be received by Link Asset Services by no later than 11.00 a.m. on 12 November 2019. The Company reserves the right to

treat any application not strictly complying with the terms and conditions of application as nevertheless valid. The Company further reserves the right (but shall not be obliged) to accept either Application Forms or remittances received after 11.00 a.m. on 12 November 2019. Eligible Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. Multiple applications will not be accepted. If an Application Form is being sent by first-class post in the UK, Eligible Shareholders are recommended to allow at least four Business Days for delivery.

- (iii) The Company (having consulted with Panmure Gordon) may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:
  - (1) Application Forms received after 11.00 a.m. on 12 November 2019; or
  - (2) applications in respect of which remittances are received before 11.00 a.m. on 12 November 2019 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.
- (iv) All documents and remittances sent by post by, to, from or on behalf of an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk.

(d) **Payments**

- (i) All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited re: C4X Discovery Holdings plc – Open Offer A/C". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top righthand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.
- (ii) Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Link Asset Services to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.
- (iii) If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

- (iv) If Open Offer Shares have already been allotted to a Eligible Shareholder and such Eligible Shareholder's cheque or banker's draft is not honoured upon first presentation or such Eligible Shareholder's application is subsequently otherwise deemed to be invalid, Link Asset Services shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Eligible Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of Link Asset Services, Panmure Gordon or the Company nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Eligible Shareholders.
- (e) ***Incorrect Sums***
  - (i) If an Application Form encloses a payment for an incorrect sum, the Company through Link Asset Services reserves the right:
    - (1) to reject the application in full and return the cheque or banker's draft or refund the payment to the Eligible Shareholder in question; or
    - (2) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the Eligible Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company; or
    - (3) in the case that an excess sum is paid, to treat the application as a valid application for all of the Open Offer Shares referred to in the Application Form, refunding any unutilised sums to the Eligible Shareholder in question, save that any sums of less than £1 will be retained for the benefit of the Company.
  - (ii) All monies received by Link Asset Services in respect of Open Offer Shares will be held in a separate account.
- (f) ***The Excess Application Facility***
  - (i) Provided they choose to take up their Basic Entitlement in full, the Excess Application Facility enables an Eligible Shareholder to apply for Open Offer Shares in excess of their Basic Entitlement. The Company (having consulted with Panmure Gordon) reserves the right, in its absolute discretion, to allow for applications for Open Offer Shares in excess of 10 times the amount stated in Box 5 of the Application Form.
  - (ii) If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares may be allocated in such manner as the Directors (having consulted with Panmure Gordon) may determine in their absolute discretion and no assurance can be given that excess applications by Eligible Shareholders will be met in full or in part or at all. Eligible Shareholders who wish to apply for Excess Shares must complete the Application Form in accordance with the instructions set out on the Application Form.
  - (iii) If the Open Offer becomes unconditional and applications for Excess Shares exceed the Excess Shares available, resulting in a scale back of applications, each Eligible Shareholder who has made a valid application for Excess Shares and from whom payment in full for the Excess Shares has been received will receive a pounds sterling amount equal to the number of Excess Shares applied and paid for but not allocated to the relevant Eligible Shareholder multiplied by the Issue Price. In such case, monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.

(g) **Effect of application**

- (i) All documents and remittances sent by post by, to, from, or on behalf of or to an applicant (or as the applicant may direct) will be sent entirely at the applicant's own risk. By completing and delivering an Application Form the applicant:
- (1) represents and warrants to the Company and Panmure Gordon that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his or her rights, and perform his or her obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
  - (2) agrees with the Company and Panmure Gordon that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
  - (3) confirms to the Company and Panmure Gordon that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
  - (4) represents and warrants to the Company and Panmure Gordon that he is the Eligible Shareholder originally entitled to the Open Offer Entitlement;
  - (5) represents and warrants to the Company and Panmure Gordon that if he has received some or all of his or her Open Offer Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
  - (6) requests that the Open Offer Shares, to which he will become entitled to have issued to him or her on the terms set out in this document and the Application Form;
  - (7) represents and warrants to the Company and Panmure Gordon that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to or for the benefit of a shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States of America, any Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that application in the United States or to, or for the benefit of, a person who he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (8) represents and warrants to the Company and Panmure Gordon that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
  - (9) confirms that in making the application he is not relying and has not relied on the Company or Panmure Gordon or any person affiliated with the Company or Panmure Gordon in connection with any investigation of the accuracy of any information contained in this document or his or her investment decision.
- (ii) All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

4.6 If you have Open Offer Entitlements credited to your Stock Account in CREST in respect of your entitlements under the Open Offer:

(a) **General**

- (i) Subject as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, each Eligible CREST Holder will receive a credit to his or her Stock Account in CREST of his or her Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply under the Open Offer. A Eligible CREST Holder may apply for more or less Open Offer Shares than he is entitled to should he wish to do so. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back by the Board on the basis as it reasonably considers to be appropriate.
- (ii) The CREST Stock Account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Eligible CREST Holder in respect of which the Open Offer Entitlements have been allocated.
- (iii) If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the Stock Accounts of Eligible CREST Holders cannot be credited by 3.00 p.m. or such later time as the Company may decide on 28 October 2019, an Application Form will be sent out to each Eligible CREST Holder in substitution for the Open Offer Entitlements credited to his or her Stock Account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Eligible Non-CREST Holders with Application Forms will apply to Eligible CREST Holders who receive Application Forms.
- (iv) CREST members who wish to apply for some, all or more than their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent at Link Asset Services using the contact details set out in paragraph (ii) below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) **Market claims**

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

(c) **Excess Application Facility**

- (i) Eligible CREST Holders at the Record Date who wish to make applications for additional Open Offer Shares (in excess of their Basic Entitlement) should follow the instructions below for submitting a USE (as defined below) in respect of the Excess Application Facility.
- (ii) All enquiries in connection with the procedure for making an excess application should be addressed to the Receiving Agent at Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(d) **USE Instructions**

- (i) CREST members who wish to apply for Open Offer Shares in respect of some, all or more than their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:
  - (1) the crediting of a Stock Account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
  - (2) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (1) above.

(e) **Content of USE Instructions**

- (i) The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
  - (1) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
  - (2) the ISIN of the Open Offer Entitlement. This is GB00BHR41662;
  - (3) the CREST participant ID of the accepting CREST member;
  - (4) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

- (5) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 7RA33;
  - (6) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is 20421CX4;
  - (7) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (1) above;
  - (8) the intended settlement date. This must be on or before 11.00 a.m. on 12 November 2019; and
  - (9) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
- (ii) In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 12 November 2019.
  - (iii) In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
    - (1) a contact name and telephone number (in the free format shared note field); and
    - (2) a priority of at least 80.
  - (iv) In the event that the Open Offer does not become unconditional by 8.00 a.m. on 15 November 2019 or such later time and date as the Company and Panmure Gordon may agree (being no later than the Final Date), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Eligible CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.
- (f) ***Content of USE Instructions in respect of the Excess Application Facility***
- (i) The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
    - (1) the number of excess Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
    - (2) the ISIN of the Excess Application Facility. This is GB00BHR41779;
    - (3) the participant ID of the accepting CREST member;
    - (4) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
    - (5) the participant ID of the Registrar, in its capacity as a CREST receiving agent. This is 7RA33;
    - (6) the member account ID of the Registrar, in its capacity as a CREST receiving agent. This is 20421CX4;
    - (7) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the Full amount payable on application for the number of Open Offer Shares referred to in paragraph (1) above;

- (8) the intended settlement date. This must be on or before 11.00 a.m. on 12 November 2019; and
  - (9) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.
- (ii) In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 12 November 2019.
  - (iii) In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:
    - (1) a contact name and telephone number (in the free format shared note field); and
    - (2) a priority of at least 80.
  - (iv) In the event that the Open Offer does not become unconditional by 8.00 a.m. on or about 15 November 2019 or such later time and date as the Company and Panmure Gordon may agree (being no later than the Final Date), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Eligible CREST Holder by way of a CREST payment, without interest, within 14 days thereafter. The interest (if any) earned on such monies will be retained for the benefit of the Company.
- (g) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***
- (i) A Eligible Non-CREST Holder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his or her Application Form may be deposited into CREST (either into the account of the Eligible Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.
  - (ii) A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 12 November 2019.
  - (iii) In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 7 November 2019, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 6 November 2019, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 12 November 2019.
  - (iv) Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Eligible Shareholder named in the Application Form or into the name of another person, shall constitute a representation, warranty, covenant, agreement and acknowledgement to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not

in breach of the provisions of the notes as set out in the CREST deposit form which forms part of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any Restricted Jurisdiction and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) **Validity of Application**

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 12 November 2019 will constitute a valid application under the Open Offer.

- (i) CREST Procedures and Timings CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his or her CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 12 November 2019. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) **Incorrect or Incomplete Applications**

- (i) If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (1) to reject the application in full and refund the payment to the CREST member in question;
- (2) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question; and
- (3) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(k) **Effect of Valid Application**

- (i) A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (1) give the representations, warranties, covenants, agreements and acknowledgements set out in paragraph 12 of this Part III;
- (2) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrars payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application); and
- (3) request that the Open Offer Shares to which he will become entitled be issued to him or her on the terms set out in this document and subject to the Articles.

(l) ***Company's discretion as to Rejection and Validity of Applications***

- (i) The Company (having consulted with Panmure Gordon) may in its sole discretion:
- (1) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
  - (2) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
  - (3) treat a properly authenticated dematerialised instruction (in this sub-paragraph the first instruction) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or, thereafter, either the Company or Registrar have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
  - (4) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

**5. Money Laundering Regulations**

- 5.1 To ensure compliance with the Money Laundering Regulations, Link Asset Services may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of Link Asset Services. In such case, the lodging agent's stamp should be inserted on the Application Form.
- 5.2 The person lodging the Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to Link Asset Services to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the "relevant Open Offer Shares") shall thereby be deemed to agree to provide Link Asset Services with such information and other evidence as they may require to satisfy the verification of identity requirements.
- 5.3 If Link Asset Services determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. Link Asset Services is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither Link Asset Services nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

- 5.4 If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the dispatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Link Asset Services has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.
- 5.5 Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Link Asset Services, and Panmure Gordon from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.
- 5.6 The verification of identity requirements will not usually apply:
- (a) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
  - (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
  - (c) if the applicant (not being an applicant who delivers his or her application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
  - (d) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,050 (based on an exchange rate of €1/£0.87)).
- 5.7 In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:
- (a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Link Asset Services Limited RE: C4X Discovery Holdings plc – Open Offer A/C" in respect of an application by a Eligible Shareholder. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the Application Form; or
  - (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (a) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force, the agent should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to Link Asset Services. If the agent is not such an organisation, it should contact Link Asset Services Limited, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
- 5.8 To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- 5.9 If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,050) (based on an exchange rate of €1/£0.87) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open

Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

- 5.10 If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 12 November 2019, Link Asset Services has not received evidence satisfactory to it as aforesaid, Link Asset Services may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the payee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **6. Admission, settlement and dealings**

- 6.1 The result of the General Meeting and the Open Offer is expected to be announced on 13 November 2019.
- 6.2 First Admission is expected to become effective and dealings in the EIS/VCT Shares will commence at 8.00 a.m. on 14 November 2019.
- 6.3 Applications will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Placing, Subscription and the Open Offer becoming unconditional in all respects (save only as to Second Admission), it is expected that Second Admission will become effective and that dealings in the General Placing Shares and Open Offer Shares will commence at 8.00 a.m. on 15 November 2019.
- 6.4 The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.
- 6.5 If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those Eligible CREST Holders who validly applied for Open Offer Shares, and definitive share certificates will be sent to Eligible Non-CREST Holders who have validly applied for Open Offer Shares.
- 6.6 No temporary documents of title will be issued and, transfers will be certified against the UK share register of the Company. All documents or remittances sent by, to, from or on behalf of applicants, or as they may direct, will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant. For more information as to the procedure for application, Eligible Shareholders are referred to paragraph 5 above and their respective Application Form.

## **7. Overseas Shareholders**

- 7.1 The comments set out in this paragraph 7 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **(a) General**

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

- (ii) No action has been or will be taken by the Company, Panmure Gordon, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- (iii) Application Forms will not be sent to persons with registered addresses in the United States or a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.
- (iv) No person receiving a copy of this document and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form unless in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- (v) It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.
- (vi) None of the Company, Panmure Gordon, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.
- (vii) Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document in connection with the Open Offer or otherwise, should not distribute or send either of those documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and Panmure Gordon determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III "Terms and Conditions of the Open Offer" and specifically the contents of this paragraph 7.
- (viii) The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares in the United States or a

Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

- (ix) Notwithstanding any other provision of this document or the relevant Application Form, the Company and Panmure Gordon reserve the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.
- (x) Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Eligible Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

(b) **United States**

- (i) The Open Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.
- (ii) Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any Open Offer Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to any Eligible Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.
- (iii) Subject to certain exceptions, any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the Open Offer Shares, that they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.
- (iv) The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or dispatched from, the United States, or that provides an address in the United States for the receipt of Open Offer Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the Open Offer Shares with a view to the offer, sale, resale, transfer,

delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

- (v) The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act.

(c) ***Restricted Jurisdictions***

- (i) Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.
- (ii) No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

(d) ***Other overseas territories***

Eligible Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Eligible Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

(e) ***Representations and warranties relating to Overseas Shareholders***

- (i) Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Panmure Gordon and Link Asset Services that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:
  - (A) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction;
  - (B) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it;
  - (C) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (B) above at the time the instruction to accept was given; and
  - (D) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

- (ii) The Company and/or Link Asset Services may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:
  - (A) appears to the Company or its agents to have been executed, effected or dispatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
  - (B) provides an address in the United States or a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
  - (C) purports to exclude the warranty required by this sub- paragraph (ii).

(f) **Waiver**

The provisions of this paragraph 7 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion (having consulted with Panmure Gordon). Subject to this, the provisions of this paragraph 7 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 7 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 7 shall apply to them jointly and to each of them.

## **8. Times and Dates**

- 8.1 The Company shall, in agreement with Panmure Gordon and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are dispatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the London Stock Exchange, and make an announcement on a Regulatory Information Service but Eligible Shareholders may not receive any further written communication.
- 8.2 If a supplementary circular is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **9. Taxation**

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

## **10. Further information**

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

## **11. Governing law and jurisdiction**

- 11.1 The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

11.2 The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares, by way of their Open Offer Entitlement and the Excess Application Facility (as applicable), in accordance with the instructions set out in this document and, where applicable, the Application Form, Eligible Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## 12. Warranties

Each Eligible Shareholder applying for Open Offer Shares represents, warrants, covenants, agrees and acknowledges as follows:

- 12.1 the Company and others will rely upon its representations, warranties, covenants, agreements and acknowledgements set forth herein, and it agrees to notify the Company promptly in writing if any of its representations, warranties, covenants, agreements or acknowledgements ceases to be accurate and complete;
- 12.2 it has read and understood and accepted the terms and conditions of the Open Offer contained in this document and its application for Open Offer Shares shall be on and subject to the terms and conditions of this document and the Application Form;
- 12.3 it agrees that all applications, and contracts resulting therefrom, and all non-contractual claims under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- 12.4 it is an Eligible Shareholder originally entitled to Open Offer Entitlements or if it has received some or all of its Open Offer Entitlements from a person other than the Company, it is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- 12.5 it may lawfully acquire the Open Offer Shares to be subscribed by it pursuant to the Open Offer and has the capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Open Offer Shares and will honour such obligations;
- 12.6 it agrees that its obligations under the Open Offer shall not be capable of rescission or termination by it in any circumstance;
- 12.7 in agreeing to acquire the Open Offer Shares, it is relying on the information contained in this document and any announcement made by or on behalf of the Company through a Regulatory Information Service and it is not relying on any information given or representation, warranty, undertaking, agreement or statement made at any time by the Company and Panmure Gordon or any of their officers, directors, agents, employees or advisers, or any other person in relation to the Company and Panmure Gordon or any of their Subsidiary undertakings, the Open Offer or the Open Offer Shares, and neither the Company nor any other person will be liable for any Eligible Shareholder's decision to participate in the Open Offer based on any other information, representation, warranty, undertaking, agreement or statement which Eligible Shareholders may have obtained or received. In addition, it has neither received nor relied on any confidential price-sensitive information. Nothing in this paragraph shall exclude the liability of any person for fraud;
- 12.8 it is entitled to acquire the Open Offer Shares under the terms of the Open Offer and the laws of all relevant jurisdictions which apply to it (the "Applicable Securities Laws") and it has fully observed such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has not taken any action or omitted to take any action which will or may result in the Company or any of their officers, Directors, agents, employees or advisers acting in breach of any law or regulatory requirement of any territory or jurisdiction in connection with the Open Offer or its entitlement;

- 12.9 it is not, nor is it applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that it is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome) and the Eligible Shareholder is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of its application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is or may be prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Eligible Shareholder is able to accept the invitation by the Company pursuant to an applicable exemption and free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor such person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- 12.10 it irrevocably appoints any director of the Company as its agent for the purpose of executing and delivering to the Company and/or the Receiving Agent any documents on its behalf necessary to enable it to be registered as the holder of Open Offer Shares;
- 12.11 it is not, and nor is it applying for Open Offer Shares as nominee or agent for, a person who is or may be liable to notify and account for stamp duty or stamp duty reserve tax at any of the increased rates referred to in sections 67 to 72 inclusive and sections 93 to 97A inclusive of the Finance Act 1986 (Depositary Receipts and Clearance Services) and, in the event of any breach of this warranty, it agrees that neither the Company nor any other person will have any liability to it or other persons in respect of such duty or tax;
- 12.12 the Applicable Securities Laws do not require the Company to make any filings or seek any approvals of any kind whatsoever from any regulatory authority of any kind in connection with the Open Offer in the jurisdiction in which it is resident;
- 12.13 the purchase by it of Open Offer Shares does not trigger in the jurisdiction in which it is resident:
- (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or
  - (b) any disclosure reporting obligation of the Company; or
  - (c) any registration or other obligation on the part of the Company; or
  - (d) the requirement for the Company to take any other action;
- 12.14 the offer and sale to it of Open Offer Shares was not made through an advertisement of the Open Offer Shares in printed media of general and regular paid circulation, radio or television or any other form of advertisement;
- 12.15 it and any person acting on its behalf is aware of the obligations in connection with money laundering under the Money Laundering Regulations to the extent applicable to it and, if it is making payment on behalf of a third party, it has obtained and recorded satisfactory evidence to verify the identity of the third party as required by the Money Laundering Regulations;
- 12.16 it agrees to be bound by the terms of the articles of association of the Company in force immediately following Second Admission;
- 12.17 it will not deal or cause or permit any other person to deal in all or any of the Open Offer Shares unless and until Second Admission becomes effective;
- 12.18 it has not received a prospectus or admission document or, save for this document, any other offering document in connection with the Open Offer, and no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Open Offer Shares or the fairness or suitability of

the investment in the Open Offer Shares nor have such authorities passed upon or endorsed the merits of the offering of the Open Offer Shares;

- 12.19 it acknowledges that the Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the rules of AIM (the "Exchange Information"), and that it is able to obtain or access the Exchange Information without undue difficulty;
- 12.20 neither the Company nor Panmure Gordon nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person;
- 12.21 if it is acquiring any Open Offer Shares as a fiduciary or agent for one or more accounts, it has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, covenants, agreements and acknowledgements on behalf of each such account;
- 12.22 it acknowledges that the Open Offer Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- 12.23 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document (or any part thereof) to or within the United States, nor will it do any of the foregoing;
- 12.24 it is purchasing the Open Offer Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Open Offer Shares in any manner that would violate the Securities Act or any other applicable securities laws, and it does not have a present arrangement to effect any distribution of the Open Offer Shares to or through any person or entity;
- 12.25 it is not acquiring any Open Offer Shares for resale in the United States and it has not and will not deliver or forward any advertisement or other offering material in relation to the Open Offer Shares in or into the United States;
- 12.26 it will indemnify and hold the Company and Panmure Gordon and each of their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, agreements and covenants in this document. All representations, warranties, agreements and covenants given by it in this document are given to the Company and Panmure Gordon and will survive completion of the Open Offer;
- 12.27 it is acquiring the Open Offer Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
- 12.28 at the time it received the offer to purchase the Open Offer Shares it was not in the United States;
- 12.29 it:
- (i) understands and acknowledges that the offering and sale of the Open Offer Shares are not being, and will not be, made, directly or indirectly, in or into, or by the use of the mails or any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States; and
  - (ii) acknowledges that no Application Form will be accepted by any such use, means, instrumentality or facility or from within the United States, and doing so may render such Application Form invalid;

12.30 its receipt and execution of the Application Form each occurred outside the United States; and

12.31 it is not acquiring the Open Offer Shares as a result of or due to, and will not engage in, any “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States in respect of the Open Offer Shares, which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Open Offer Shares, including placing an advertisement in a publication with a general circulation in the United States, nor has it seen or been aware of any activity that, to its knowledge, constitutes directed selling efforts in the United States.

## PART IV

### QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

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

This Part IV deals with general questions relating to the Open Offer and more specific questions relating to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 7 of Part III “Terms and Conditions of the Open Offer” of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III “Terms and Conditions of the Open Offer” of this document for full details of what action you should take.

If you are an Eligible CREST Holder and hold your Existing Ordinary Shares in CREST you should read paragraph 4 in Part III of this document. Persons who hold Existing Ordinary Shares through a CREST member should be informed by the CREST member through which they hold their Existing Ordinary Shares of: (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement; and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

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

#### 1. What is an open offer?

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

This Open Offer is an invitation by the Company to Eligible Shareholders to apply to acquire up to an aggregate of 6,421,404 Open Offer Shares at a price of 15 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 9 Existing Ordinary Shares held by Eligible Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. The Issue Price of 15 pence per Open Offer Share represents a discount of approximately 63 per cent. to the closing middle-market price quotation as derived from the Daily Official List of the London Stock Exchange of 40.5 pence per Ordinary Share on 23 October 2019 (being the latest practicable dealing day before the date of this document).

The Excess Application Facility allows Eligible Shareholders to apply for Excess Shares in excess of their Basic Entitlement. Applications made under the Excess Application Facility may be allocated in such manner as the Directors (having consulted with Panmure Gordon) may determine in their absolute discretion, if applications are received from Eligible Shareholders for more than the available number of Open Offer Shares, no assurance can be given that excess applications by Eligible Shareholders will be met in full or in part or at all.

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

## **2. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form or a credit to your stock account in CREST and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 23 October 2019 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

## **3. How do I know how many Open Offer Shares I am entitled to take up?**

If you do not have a registered address and are not located in the United States or any Restricted Jurisdiction, subject to certain exceptions, you will be sent an Application Form or a credit to your stock account in CREST that shows:

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

Subject to certain exceptions, if you have a registered address in the United States or any of the Restricted Jurisdictions, you will not receive an Application Form or a credit to your stock account in CREST. If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque or banker’s draft drawn in the appropriate form, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 12 November 2019, after which time Application Forms will not be valid.

## **4. I am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

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

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

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 12 November 2019, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Eligible Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement, then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be diluted. Even if an Eligible Shareholder subscribes for the Open Offer Entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of Open Offer Shares pursuant to the Excess Application Facility and the issue of the Placing Shares and the Subscription Shares.

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

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 2(a) of your Application Form; for example, if you are entitled to take up 50 shares but you only want to take up 30 shares, then you should write '30' in Box 2(a) and 2(c). To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '30') by £0.15, which is the price in pounds of each Open Offer Share (giving you an amount of £4.50 in this example). You should write this amount in Box 3, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 12 November 2019, after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to LINK MARKET SERVICES LTD RE: C4X DISCOVERY HOLDINGS PLC – OPEN OFFER A/C. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Eligible Shareholder has title to the underlying funds) may not be accepted (see section 4.5(d) of Part III).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Link Asset Services to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you within 14 days of allotment.

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

If you want to take up all of the Open Offer Shares to which you are entitled, you need to send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 6 of your Application Form), by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 12 November 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to LINK MARKET SERVICES LTD RE: C4X DISCOVERY HOLDINGS PLC – OPEN OFFER A/C. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities

provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the application.

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

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

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Eligible Shareholders to apply for Excess Shares in excess of their Basic Entitlement. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 5 of the Application Form) in Box 2(a) and write the number of Excess Shares for which you would like to apply in Box 2(b). You should then add the totals in Boxes 2(a) and 2(b) and insert the total number of Open Offer Shares for which you would like to apply in Box 2(c). For example, if you have a Basic Entitlement for 50 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write 50 in Box 2(a), 25 in Box 2(b) and 75 in Box 2(c). To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want by £0.15, which is the price in pounds sterling of each Open Offer Share. You should write this amount in Box 3.

If Eligible Shareholders wish to apply for more shares under the Excess Application Facility for more than 10 times the number of shares stated in Box 5 of the Application Form, the maximum Excess Shares, they should contact the shareholder helpline on 0371 664 0321. The Company reserves the right, in its absolute discretion, to allow for applications for Open Offer Shares in excess of the maximum Excess Shares. You should then return your Application Form by post to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU or by hand (during normal office hours only) so as to be received by them by no later than 11.00 a.m. on 12 November 2019, after which time Application Forms will not be valid. If you post your application form by first class post, you should allow at least four Business Days for delivery. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares may be allocated in such manner as the Directors (having consulted with Panmure Gordon) may determine in their absolute discretion. No assurance can be given that excess applications by Eligible Shareholders will be met in full or in part or at all.

**5. I acquired my Existing Ordinary Shares prior to the Record Date. What if I do not receive an Application Form or I have lost my Application Form?**

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

- Eligible Shareholders who bought Existing Ordinary Shares before 23 October 2019 but were not registered as the holders of those shares at the Record Date; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **6. Can I trade my Open Offer Entitlement?**

Eligible Shareholders should be aware that the Open Offer is not a rights issue. As such, Eligible Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Eligible Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Eligible Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer Shares are not underwritten.

## **7. What if I change my mind?**

Once you have sent your Application Form and payment to Link Asset Services, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied, except in the very limited circumstances which are set out in this document.

## **8. What if the number of Open Offer Shares to which I am entitled is not a whole number: am I entitled to fractions of Open Offer Shares?**

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

## **9. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 23 October 2019, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 23 October 2019, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

## **10. How do I pay?**

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to LINK MARKET SERVICES LTD RE: C4X DISCOVERY HOLDINGS PLC – OPEN OFFER A/C. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has inserted details of the full name of the building society or bank account holder and has added the building society or bank branch stamp. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Eligible Shareholder has title to the underlying funds) may not be accepted.

## **11. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

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

## **12. Where do I send my Application Form?**

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

**13. When do I have to decide if I want to apply for Open Offer Shares?**

Link Asset Services must receive the Application Form by no later than 11.00 a.m. on 12 November 2019, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Eligible Shareholders are recommended to allow at least four Business Days for delivery.

**14. How do I transfer my entitlements into the CREST system?**

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

**15. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate?**

It is expected that Link Asset Services will post all new share certificates within 14 days of allotment.

**16. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?**

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

**17. Will I be taxed if I take up my entitlements?**

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

**18. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 7 of Part III "Terms and Conditions of the Open Offer" of this document.

**19. Further assistance**

Should you require further assistance please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

# 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 offices of Panmure Gordon (UK) Limited, One New Change, London EC4M 9AF on 13 November 2019 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed, as to Resolutions 1 and 2 as Ordinary Resolutions and as to Resolutions 3 and 4 as Special Resolutions.

### ORDINARY RESOLUTIONS

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 £530,880.71 pursuant to the Placing, the Subscription and the Open Offer described in the Circular to shareholders of the Company dated 25 October 2019, provided that such authority (unless previously revoked, varied or renewed) shall expire on 2 December 2019.
2. THAT, conditional upon and with effect from completion of the Placing, the Subscription and the Open Offer in accordance with section 551 of the Act the Directors be and 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 £369,602 (being approximately one third of the Company’s issued share capital immediately following Admission).

### SPECIAL RESOLUTIONS

3. THAT, conditional upon the passing of 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 pursuant to the Placing, the Subscription and Open Offer for cash up to an aggregate nominal value of £530,880.71 and shall (unless previously revoked, varied or renewed) expire on 2 December 2019.
4. THAT, conditional upon passing the ordinary Resolution 2 relating to the authority of the Directors to allot equity securities, the Directors be and are hereby given power to allot equity securities, 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:
  - 4.1 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
  - 4.2 the allotment or sale of equity securities (otherwise than pursuant to sub-paragraph 4.1) for cash up to a maximum nominal value of £110,881 (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 30 April 2020, 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.

By order of the Board

Mark James Sullivan  
*Company Secretary*

Dated: 25 October 2019

*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 23 October 2019 (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 at: Link Asset Services, PXS1 34 Beckenham Road, Beckenham, Kent BR3 4TU; 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 11.00 a.m. on 11 November 2019. 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'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 11.00 a.m. on 11 November 2019.

### **Voting Rights**

15. As at 23 October 2019, being the latest practicable date prior to the printing of this notice, the Company's issued capital consisted of 57,792,636 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 23 October 2019 are 57,792,636.

### **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, which was based on information available as at 23 October 2019, being the latest practicable date prior to the printing of this notice, will be available on the Company's website [www.c4xdiscovery.com](http://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 – Specific authority to allot shares (the “Specific Authority”)**

The purpose of Resolution 1 is to increase the directors' power to allot shares to provide the directors with the authority to issue the Placing Shares, the Subscription and the Open Offer Shares. 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 £530,880.71. This authority (unless previously revoked, varied or renewed) will expire on 2 December 2019.

#### **Resolution 2 – General authority to allot shares (the “General Authority”)**

The purpose of Resolution 2 is to increase the Directors' power to allot shares to provide the Directors with the authority to issue new ordinary shares. 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 2 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 £369,602, being approximately one-third of the nominal value of the ordinary shares in issue immediately following Admission.

#### **Resolution 3 – Disapplication of pre-emption rights in respect of the Specific Authority**

The purpose of Resolution 3 is to disapply the pre-emption rights in respect of the Placing Shares, the Subscription Shares and the Open Offer Shares. 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 in the capital of the Company, to the extent that they are not disapplied 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 the Placing Shares, the Subscription Shares and the Open Offer Shares without the application of these statutory pre-emption rights in relation to the issue of new ordinary shares of 1 pence each in the capital of the Company for cash up to a maximum aggregate nominal amount of £530,880.71 pursuant to the Placing, Subscription and the Open Offer. This authority (unless previously revoked, varied or renewed) will expire on 2 December 2019.

#### **Resolution 4 – Dis-application of pre-emption rights in respect of the General Authority**

The purpose of resolution 4 is to dis-apply pre-emption rights in respect of the general authority to issue and allot ordinary shares at Resolution 2.

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 issued ordinary shares of 1 pence each in the capital of the Company, to the extent that they are not disapplied 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 new ordinary shares of 1 pence each in the capital of the Company for cash up to a maximum aggregate nominal amount of £110,881, (representing approximately ten per cent. of the nominal value of the ordinary shares in issue immediately following Admission.



