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

C4X Discovery Holdings plc
("C4XD", "C4X Discovery" or the "Company")

Proposed Placing and Open Offer

Proceeds of fundraise will support the Company's strategy of becoming the world's most productive, self-sustaining drug discovery engine

C4X Discovery Holdings plc (AIM: C4XD), a pioneering drug discovery company, today announces a proposed conditional Placing of Placing Shares with existing and new institutional investors to raise up to approximately £10.0 million before expenses at the Issue Price of 90 pence per new Ordinary Share.

The net proceeds of the Placing will be used to support the execution of C4XD's strategy of becoming the world's most productive, self-sustaining drug discovery engine by strengthening its balance sheet as partnering discussions and strategic collaborations progress, expanding its commercial capability and supporting working capital during the expansion of its pipeline portfolio.

In addition, in order to provide Qualifying Shareholders with an opportunity to participate in the fundraise at the Issue Price, subject to the successful closing of the Placing, the Company proposes to make an Open Offer to all Qualifying Shareholders to raise additional gross proceeds of up to £1.0 million for the Company. The Open Offer is being made on the basis of 1 Open Offer Share for every 42 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date.

The Placing will be conducted by way of an accelerated bookbuilding process (the "Bookbuild") which will be launched immediately following this Announcement in accordance with the terms and conditions set out in Appendix II. The Placing Shares are not being made available to the public. It is envisaged that the Bookbuild will be closed no later than 4.00 p.m. GMT today, 18 September 2018.

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

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

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

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

A General Meeting is therefore being convened for the purpose of considering the Resolutions at 10.00 a.m. on 5 October 2018 at Panmure Gordon, One New Change, London EC4M 9AF.

The terms and conditions of the Open Offer will be set out in the Circular. The Open Offer is not underwritten. It is expected that the Circular will be dispatched on or around 19 September 2018, and will also be available at this time on the Company's website at www.c4xdiscovery.com.

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

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

Commenting on the proposed Placing and Open Offer, Clive Dix, CEO of C4X Discovery, said: *“The completion of our deal with Indivior earlier this year further validated our business model and today’s fundraising provides a strong platform for further licensing of our best-in-class small molecule candidates to the pharmaceutical industry. Our technology platform, which includes state-of-the-art proprietary technologies Taxonomy3[®], Conformetrix and Molplex are delivering a high value pipeline in important disease areas. Demand from potential partners for early stage assets remains high and we look forward to continuing to drive value from revenue generating deals and building a sustainable drug discovery company.”*

For further information, please contact:

C4X Discovery Holdings plc

Clive Dix, Chief Executive Officer

07801 865 803

Panmure Gordon (UK) Limited (NOMAD)

Freddy Crossley, Emma Earl (Corporate Finance)
James Stearns (Corporate Broking)

020 7886 2500

Consilium Strategic Communications

Mary-Jane Elliott, Chris Gardner, Matthew Neal

0203 709 5700

About C4X Discovery

C4X Discovery aims to become the world's most productive drug discovery engine by exploiting cutting edge technologies to design and create best-in-class small-molecule candidates targeting a range of high value therapeutic areas. The company's goal is to drive returns through early-stage revenue-generating deals with the pharmaceutical industry.

C4X Discovery has a state-of-the-art suite of proprietary technologies across the drug discovery process. The company's innovative DNA-based target identification platform (Taxonomy3[®]) utilises human genetic datasets to identify novel patient-specific targets leading to greater discovery productivity and increased probability of clinical success. This is complemented by C4XD's novel drug design platform which comprises two innovative chemistry technologies, Conformetrix and Molplex, that combine 4D molecular shape analyses (based on experimental data) with best-in-class computational chemistry. This provides new and unprecedented insight into the behaviour of drug molecules, enabling the production of potent selective compounds faster and more cost effectively than the industry standard.

C4X Discovery is advancing its in-house pipeline that is primarily focused on the high value therapeutic areas of inflammation, neurodegeneration and cancer (including immuno-oncology) with a number of new drug candidates identified and further progress made towards pre-clinical licensing discussions. In selecting and executing new drug discovery programmes, C4X Discovery focuses on high-value disease areas that are the subject of significant licensing activity and will continue to also maximise value from opportunistic areas such as: addiction and diabetes. The Company recently signed a licensing agreement with Indivior for a pre-clinical addiction programme worth up to £224.4 million (USD equivalent \$294 million) (GBP/USD: 1.31).

The Company was founded as a spin-out from the University of Manchester. It has a highly experienced management team and Board who have delivered significant value creation within the healthcare sector historically and have enabled C4XD to reach multiple value inflexion points since IPO. For additional information please go to: www.c4xdiscovery.com

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

IMPORTANT NOTICES

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

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

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "Placee") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety (including the appendices)

and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties and acknowledgements contained in the appendices.

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

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

This Announcement is for information purposes only and is directed only at: (a) persons in member states of the European Economic Area who are qualified investors as defined in Article (2)(1)(e) ("qualified investors") of Directive 2003/71/EC; and (b) in the United Kingdom, qualified investors who are persons (1) who have professional experience in matters relating to investments falling within Article 19(1) (Investment Professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); (2) falling within Article 49(2)(a) to (d) (High net worth companies, unincorporated associations, etc.) of the Order; or (3) other persons to whom it may otherwise lawfully be communicated without being accompanied by any further statements and/or warnings required by the Order and not included in this Announcement (all such persons together being referred to as "Relevant Persons").

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

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

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

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

Furthermore, the New Ordinary Shares have not been and will not be registered under the applicable laws of any of Canada, Australia, Japan or the Republic of South Africa or of any other jurisdiction where to do so would be unlawful and, consequently, may not be offered or sold to any national, resident or citizen thereof. The distribution of this Announcement in or into jurisdictions other than

the United Kingdom may be restricted by law and therefore any person who is subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

FORWARD-LOOKING STATEMENTS

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

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

APPENDIX I THE PLACING

Background to the proposed Fundraise

C4X Discovery aims to become the world's most productive, self-sustaining 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.

To achieve its goal, C4X Discovery 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. C4X Discovery has a state-of-the-art suite of proprietary technologies across the drug discovery process. The company's innovative DNA-based target identification platform (Taxonomy3[®]) utilises human genetic datasets to identify novel patient-specific targets leading to greater discovery productivity and increased probability of clinical success. This is complemented by C4XD's novel drug design platform which comprises two innovative chemistry technologies, Conformetrix and Molplex, that combine 4D molecular shape analyses (based on experimental data) with best-in-class computational chemistry. The Directors believe this provides new and unprecedented insight into the behaviour of drug molecules, enabling the production of potent selective compounds faster and more cost effectively than the industry standard.

As announced on 29 March 2018, C4XD completed their first licensing deal in March 2018, validating the business model and the drug discovery engine that the Company has built.

C4XD is building a balanced pipeline across high unmet need therapeutic areas, in order to reach a steady state of producing 3-4 partnerable assets per year. The Directors intend to drive long-term shareholder value by strategically re-investing future licensing deal revenue into the Company's discovery engine.

Reasons for the fundraise

The next stage of C4XD's development will focus on accelerating its drug discovery engine and growing its pipeline of discovery programmes. The drug discovery process is as follows:

- Identify and exemplify more high value drug discovery targets in high unmet need diseases, in particular using the Company's innovative DNA-based target identification platform (Taxonomy3[®]);

- Develop market-leading compounds using cutting edge technologies;
- 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 £11.0 million by way of the Placing and 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 and Open Offer for:

- Strengthening its balance sheet as partnering discussions and strategic collaborations progress;
- Expanding its commercial capability; and
- Supporting working capital during the expansion and acceleration of its pipeline portfolio.

Current trading

On 12 April 2018, C4XD announced its interim results for the six months ended 31 January 2018. Investment in R&D was £3.4 million in the six months ending 31 January 2018, up £0.4 million from the £3.0 million in the six months ended 31 January 2017 reflecting progress across the portfolio. Cash, cash equivalents, short-term investments and deposits were £1.4 million at 31 January 2018 in comparison to 31 July 2017 which was £2.2 million and 31 January 2017 which was £6.0 million. C4XD assets as at 31 January 2018 were £6.2 million as opposed to 31 July 2017 which were £10.1 million and 31 January 2017 which were £6.9 million. Since the period end, C4XD has received an R&D tax credit of £1.7 million and the upfront payment from Indivior UK Limited (LON: INDV, "Indivior") of £7.1 million (USD equivalent \$10.0 million) (GBP/USD: 1.31).

In March 2018, the C4XD announced it had signed a licensing agreement with Indivior for an addiction programme worth up to £224.4 million (USD equivalent \$294 million). C4XD received £7.6 million (USD equivalent \$10 million) up front, with potential milestones totalling £216.7 million (USD equivalent \$284 million) plus royalties.

The licensing agreement with Indivior is to further develop and commercialise C4XD's oral Orexin-1 receptor antagonist ("C4X3256") for the treatment of addiction. C4X3256 aims to treat addiction by targeting the "craving" process itself and, therefore, can be applied across a broad range of substance use disorders. The treatment of addiction represents a substantial area of unmet medical need, forecast to be worth an estimated £9.9 billion (USD equivalent \$13 billion) per annum in 2018.

On 1 May 2018, C4XD announced that it had entered into a joint research collaboration with e-Therapeutics plc (AIM: ETX) to identify novel mechanistic insights into Parkinson's Disease ("PD"). The collaboration utilises both companies' drug discovery technologies, in particular C4XD's Taxonomy3[®] novel target identification platform and ETX's Network-driven Drug Discovery ("NDD") capabilities. Teams from both companies will use the outputs from C4XD's Taxonomy3[®] genetic analysis of PD and apply an NDD approach to identify novel intervention strategies which it is expected will lead to new approaches for the treatment of PD.

On 24 July 2018 C4XD announced that its C4X3256 programme has been awarded a grant from the National Institute on Drug Abuse (NIDA, a division of National Institute of Health (NIH)). The grant of approximately £366,412 (USD equivalent \$480,000) will support the pre-clinical development of C4X3256 in cocaine use disorder, an additional addiction indication with high unmet need. Recently licensed to Indivior, C4X3256, an oral Orexin-1 receptor antagonist, has demonstrated an excellent safety profile and preclinical efficacy in models of nicotine addiction.

C4XD completed a £7.0 million fundraise in March 2017 through the conditional placing of new Ordinary Shares in the capital of the Company. C4XD's accounts are available on the Company's website at <http://www.c4xdiscovery.com/investors/>.

Outlook

C4X Discovery's combination of state-of-the-art proprietary technologies, highly experienced scientific team, and industry experience uniquely positions the Company to fulfil the pharmaceutical industry's demand for high quality early-stage drug candidates. As the Company accelerates towards its goal of becoming the world's most productive, self-sustaining drug discovery engine, it aims to expand its commercial capabilities and continue building a portfolio of commercially attractive pre-clinical assets, in addition to progressing partnering discussions to complete at least one revenue-generating deal on the C4XD portfolio in the next 12 months. The Board is excited about the Company's opportunities and the future of UK drug discovery.

Details of the Placing and Open Offer

The Placing

The Company proposes to raise £10.0 million (before expenses) by way of a conditional, non-pre-emptive placing of 11,111,111 Placing Shares (before expenses) at the Issue Price. The Placing Shares will, pursuant to the Placing Agreement, be placed by Panmure Gordon, as agent for the Company, with institutional and other professional investors.

Certain of the Placing Shares (the "Eligible 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 Eligible Shares (expected to be on 8 October 2018 ("First Admission")) will occur on the business day immediately before Admission of the General Placing Shares (expected to be on 9 October 2018 ("Second Admission")). The placing of the Eligible Shares is conditional, amongst other things, on the Placing 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 Agreement not having been terminated in accordance with its terms prior to Second Admission.

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

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

The Issue Price represents a discount of approximately 1.1 per cent. to the closing mid-market price of the Ordinary Shares of 91.0 pence on 17 September 2018 (being the last practicable dealing day prior to the date of this Announcement). The Placing Shares will, when issued, rank *pari passu* in all respects with the other Ordinary Shares then in issue, including all rights to all dividends and other distributions declared, made or paid following Admission. Applications will be made for the Placing Shares to be admitted to trading on AIM. It is expected that dealings in the Eligible Shares will commence on 8 October 2018, and dealings in the General Placing Shares will commence on 9 October 2018.

The Placing is not being underwritten. The Placing Shares are not part of the Open Offer.

The Placing 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 8 October 2018, Second Admission occurring on or before 8.00 a.m. on 9 October 2018 and the Placing Agreement not having been terminated prior First Admission or Second Admission (as relevant).

The Placing 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 Agreement in certain circumstances prior to Admission, in particular, it may terminate in the event that there has been a breach of any of the warranties or for force majeure.

The Open Offer

The Company is proposing to raise up to a further £1.0 million before expenses by the issue of up to 1,108,454 Open Offer Shares under the Open Offer at the Issue Price, payable in full on acceptance. Any entitlements to Open Offer Shares not subscribed for by Qualifying Shareholders will be available to Qualifying Shareholders under the Excess Application Facility. The balance of any Open Offer Shares not subscribed for under the Excess Application Facility will not be available to the Placees under the Placing.

The terms and conditions of the Open Offer will be set out in the Circular. The Open Offer is not underwritten. It is expected that the Circular will be despatched on or around 19 September 2018 and will also be available on the Company's website at www.c4xdiscovery.com

Effect of the Placing and Open Offer

The Eligible Shares are expected to be issued on or around 8 October 2018, conditional, *inter alia*, on First Admission. The General Placing Shares and the Open Offer Shares are expected to be issued on or around 9 October 2018, conditional, *inter alia*, on Second Admission. Assuming completion of the Placing 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 58,774,652 Ordinary Shares. On this basis, the New Ordinary Shares, will represent approximately 20.8 per cent. of the Enlarged Share Capital.

EIS and VCT Advance Assurance

The Company received advance assurance in May 2016 from HM Revenue & Customs (“HMRC”) that it is a qualifying company for the purposes of the Enterprise Investment Scheme (“EIS Advance Assurance”). Furthermore, the Company applied to HMRC to receive advance assurance that it continues to be a qualifying company for EIS Advance Assurance and is a qualifying company for the purposes of the Venture Capital Trust rules (“VCT Advance Assurance”).

On 26th June 2018, the Company received a letter from HMRC authorising the Company to issue compliance certificates under Section 204(1) Income Tax Act 2007 in respect of the ordinary shares to be issued, following receipt of a form EIS1 satisfactorily completed. HMRC also confirmed that as a result of the consultation document on advance assurance HMRC’s policy has changed and as of 2 January 2018, HMRC can no longer consider VCT advance assurance applications where the details of the potential qualifying holding are not given.

The assurance does not guarantee the availability of any form of relief under the Enterprise Investment Scheme to any particular subscriber and there can be no certainty that either VCT Advance Assurance will be granted by HMRC or that the EIS Advance Assurance will be reconfirmed.

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.

Only the Placing Shares and not the Open Offer Shares will be eligible for EIS and VCT.

**APPENDIX II
TERMS AND CONDITIONS OF THE PLACING**

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

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL. PERSONS INTO WHOSE POSSESSION THIS ANNOUNCEMENT (INCLUDING THE APPENDICES) COMES ARE REQUIRED BY THE COMPANY AND PANMURE GORDON TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT IN THIS APPENDIX ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: QUALIFIED INVESTORS WHO ARE PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF A SUBSCRIPTION FOR THE PLACING SHARES.

Information to Distributors

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

Notwithstanding the Target Market Assessment, recipients of this Announcement should note that: the price of the securities may decline and investors could lose all or part of their investment; the securities offer no guaranteed income and no capital protection; and an investment in the securities

is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

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

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

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

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

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

Timetable for the Placing

Various dates referred to in this Announcement are stated on the basis of the expected timetable for the Placing. It is possible that some of these dates may be changed. To facilitate the application for VCT or EIS relief in respect of the Eligible Shares, the Eligible Shares will be allotted on First Admission, subject, *inter alia*, to the Resolutions being approved at the General Meeting. It is expected that (i) the Eligible Shares will be allotted, conditional upon, *inter alia*, First Admission becoming effective on 8 October 2018; (ii) the General Placing Shares will be allotted, conditional upon, *inter alia*, Second Admission becoming effective on 9 October 2018.

Details of the Placing

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

Applications will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. First Admission and Second Admission are each conditional upon, amongst other things, the relevant conditions in the Placing Agreement being satisfied and the Placing Agreement not having been terminated in accordance with its terms. It is expected that the Eligible Shares will be allotted, conditional upon, *inter alia*, First Admission, on 8 October 2018 and that dealings in the

Eligible Shares will commence at that time. It is expected that the General Placing Shares will be allotted, conditional upon, *inter alia*, the Second Admission, on 9 October 2018 and that dealings in the General Placing Shares will commence at that time.

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

Lock up

As part of the Placing, the Company has agreed, subject to certain customary exceptions, that it will not issue or sell any Ordinary Shares for a period of 60 days after Second Admission without the prior written consent of Panmure Gordon.

Bookbuild

Panmure Gordon will today commence an accelerated bookbuilding process (the "Bookbuild") to determine demand for participation in the Placing by potential Placees. The Bookbuild is expected to close at or before 4.00 p.m. today. The Company will then release an announcement through the London Stock Exchange's Regulatory Information Service confirming the number of Placing Shares to be issued and the amount to be raised under the Placing.

Participation in, and principal terms of, the Placing

Panmure Gordon is arranging the Placing within the UK as agent for and on behalf of the Company. Panmure Gordon will determine in its absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee. The Placing is not underwritten. The price of securities and income from them may go down as well as up and investors may not get back the full amount on disposal of the securities. Panmure Gordon and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion determine.

Save in the event of fraud on its part (and to the extent permitted by the rules of the FCA (the "**FCA Rules**")), none of (i) Panmure Gordon, (ii) any of its directors, officers, employees or consultants, nor (iii) to the extent not contained within (i) or (ii), any person connected with Panmure Gordon as defined in the FCA Rules ((i), (ii) and (iii) being together "affiliates" and individually an "affiliate"), shall have any liability to any Placee or to any person other than the Company in respect of the Placing or in respect of its conduct of the Bookbuild or of any alternative method that they may adopt for carrying out the Placing, and where any such liability nevertheless arises as a matter of law, each Placee shall immediately waive any claim which it may have against any affiliate in respect thereof.

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

Conditions of the placing of the Eligible Shares

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

- i. First Admission having become effective in accordance with the AIM Rules by no later than 8.00 a.m. on 8 October 2018;

- ii. the Company having complied with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to First Admission; and
- iii. the satisfaction or, where capable of waiver, the waiver of certain other conditions set out in the Placing Agreement in respect of the placing of the Eligible Shares, provided that the extended time for satisfaction shall not be extended beyond 8.00 a.m. on 31 October 2018 (the “**First Long Stop Date**”).

Conditions of the placing of the General Placing Shares

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

- i. First Admission having occurred;
- ii. Second Admission having become effective in accordance with the AIM Rules by no later than 8.00 a.m. on 9 October 2018;
- iii. the Company having complied with its obligations under the Placing Agreement to the extent that the same fall to be performed prior to Second Admission; and
- iv. the satisfaction or, where capable of waiver, the waiver of certain other conditions set out in the Placing Agreement in respect of the placing of the General Placing Shares, provided that the extended time for satisfaction shall not be extended beyond 8.00 a.m. on 1 November 2018 (the “**Second Long Stop Date**”).

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

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

The placing of the Eligible Shares is not conditional on the issue of the General Placing Shares and Open Offer Shares and Second Admission. Consequently if, following the issue of the Eligible Shares, the conditions relating to the issue of the General Placing Shares and the Open Offer Shares are not satisfied, or the Placing Agreement is terminated in accordance with its terms, the General Placing Shares and the Open Offer Shares will not be issued and the Company will not receive the related placing monies.

On the assumption that the conditions set out in the Placing Agreement in respect of each of the First Admission and Second Admission are satisfied (or waived) and that the Placing Agreement does not lapse and is not terminated in accordance with its terms on or prior to the First Long Stop Date or the Second Long Stop Date (as the case may be), each Placee will be required to pay to Panmure Gordon, on the Company's behalf, the Issue Price for each Placing Share agreed to be acquired by it under the Placing in accordance with the terms set out herein. Each Placee's obligation to acquire and pay for Placing Shares under the Placing will be owed to Panmure Gordon and the Company. Each Placee has an immediate, separate, irrevocable and binding obligation, owed to Panmure Gordon, to pay to it (or

as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to subscribe. Each Placee will be deemed to have read and understood this Appendix in its entirety; to be participating in the Placing upon the terms and conditions contained in this Appendix; and to be providing the confirmations, representations, warranties, agreements, acknowledgements and undertakings, in each case as contained in this Appendix.

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

Termination of the Placing Agreement

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

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

No prospectus

No offering document, prospectus or admission document has been or will be submitted to or be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including the appendices) released by the Company today, and subject to the further terms set forth in the Contract Note to be provided by Panmure Gordon to individual prospective Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement (including the appendices) is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information or representation concerning the Company, its subsidiaries, the Placing or Ordinary Shares. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement. Neither the Company nor Panmure Gordon nor any of their respective officers, directors or employees will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained

or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing.

Registration and settlement

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

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

After such agreement is entered into, each Placee allocated Placing Shares in the Placing will be sent a contract note stating the number of Placing Shares allocated to it at the Issue Price and settlement instructions (the "**Contract Note**").

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with Panmure Gordon. Settlement will be through Panmure Gordon against CREST participant account: 83801. For the avoidance of doubt, Placing allocations will be booked with a trade date of 18 September 2018. The settlement date for the Eligible Shares will be 8 October 2018 and the General Placing Shares will have a settlement date of 9 October 2018.

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

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

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

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

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person,

such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and warranties

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

1. it has read this Announcement, including the appendices, in its entirety and acknowledges and agrees that its participation in the Placing will be governed by the terms set out in these Appendices;
2. its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
3. that the exercise by Panmure Gordon of any rights or discretion under the Placing Agreement shall be within the absolute discretion of Panmure Gordon and Panmure Gordon need not have any reference to the Placee and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and that it has no rights against Panmure Gordon or the Company, or any of their respective directors and employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
4. that it is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement (including the appendices); and that neither the Company nor Panmure Gordon nor any of their respective officers, directors or employees will have any liability for any such other information or representation;
5. it has relied on its own investigation of the business, financial or other position of the Company in determining whether to participate in the Placing and neither Panmure Gordon nor the Company nor any of their affiliates nor any person acting on behalf of them has provided, and will not provide, any material regarding the Placing Shares or the Company other than this Announcement;
6. that neither it nor, as the case may be, its clients expect Panmure Gordon to have any duties or responsibilities to it similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that Panmure Gordon is not acting for it or its clients, and that Panmure Gordon will not be responsible for providing protections afforded to its clients or for providing advice in relation to the transactions described in this Announcement;
7. it is not a national or resident of the United States, Canada, Australia, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of the United States, Japan, the Republic of South Africa, Canada or Australia or of any jurisdiction which would be unlawful and that it will not offer, sell, renounce, transfer or deliver directly or indirectly any of the Placing Shares in the United States, Japan, the Republic of South Africa, Canada, Australia or any jurisdiction where to do so would be unlawful or any person resident in the United States, Japan, the Republic of South Africa, Canada or Australia or in any

jurisdiction where to do so would be unlawful and it acknowledges that the Placing Shares have not been and will not be registered under the US Securities Act and the relevant exemptions are not being obtained from the Securities Commission of any province of Canada and that the same are not being offered for sale and may not be, directly or indirectly, offered, sold, renounced, transferred or delivered in the United States, Japan, the Republic of South Africa, Canada or Australia or in any jurisdiction which to do would be unlawful unless pursuant to a relevant exemption;

8. it was not located in the United States at the time the buy order was originated and it represents that no directed selling efforts (as defined in Regulation S under the Securities Act) were made in connection with the Placing.
9. if required by applicable securities laws or as otherwise reasonably requested by the Company, the Placee will execute, deliver and file and otherwise assist the Company in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Placing Shares;
10. it is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or Panmure Gordon or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance of Placing Shares and that its commitment constitutes a valid and binding obligation on it;
11. it has obtained all necessary capacity, consents and authorities (regulatory or otherwise) to enable it to give its commitment to subscribe for the Placing Shares and to perform its subscription obligations;
12. it has such knowledge and experience in financial, business and tax matters as to be capable of evaluating the merits and risks of its investment in the Placing Shares and it is able to bear the economic risks and complete loss of such investment in the Placing Shares;
13. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not (i) dealt in the securities of the Company, (ii) encouraged or required another person to deal in the securities of the Company, or (iii) disclosed such information to any person, prior to the information being made publicly available;
14. it is acting as principal and for no other person and that its acceptance of Placing Shares will not give a contractual right to require the issue by the Company of any Placing Shares;
15. it will (or will procure that its nominee will), if applicable, make notification to the Company of the interest in its shares in accordance with the articles of association of the Company and any relevant rules or legislation;
16. it is a Qualified Investor as defined in section 86(7) of FSMA and is a person (i) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000

(Financial Promotion) Order 2005 (the "**Order**") or (ii) who falls within Article 19(5) or Article 49(2)(a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order or (iii) to whom this Announcement may otherwise lawfully be communicated;

17. if in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the relevant Placee represents and warrants that:
 - (a) it is a legal entity which is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, its corporate purpose is solely to invest in securities; or
 - (b) it is a legal entity which has two or more of:
 - (i) an average of at least 250 employees during the last financial year;
 - (ii) a total balance sheet of more than EUR 43,000,000; and/or
 - (iii) an annual turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
 - (c) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (a) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors (as defined in the Prospectus Directive) or in circumstances in which the prior consent of Panmure Gordon has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; or
 - (d) such securities are sold in any other circumstance which does not require the publication of a prospectus by the Company pursuant to Article 3 of the Prospectus Directive; or
 - (e) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion, and that it (and any such account) is subscribing for the Placing Shares in an "offshore transaction" (within the meaning of Regulation S under the US Securities Act);
18. it is not, nor is it acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;
19. that no instrument under which it acquires Placing Shares (whether as principal, agent or nominee) will be subject to stamp duty or stamp duty reserve tax at the increased rates

referred to in sections 67 or 93 (Depository Receipts) or section 70 or 96 (Clearance Services) of the Finance Act 1986;

20. that it irrevocably appoints any director of Panmure Gordon as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares offered to it by Panmure Gordon;
21. that if it elects to receive its Placing Shares in uncertificated form, the CREST member account identified in the Contract Note returned by it is not marked;
22. to indemnify and hold the Company and Panmure Gordon harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by it (or any person on whose behalf it is acting) of the representations, warranties, acknowledgements, agreements and undertakings contained in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
23. that its obligations will be owed to the Company and Panmure Gordon and acknowledges that it has an immediate, separate, irrevocable and binding obligation, owed to Panmure Gordon, to pay to Panmure Gordon (or as it may direct) in cleared funds an amount equal to that shown in the Contract Note;
24. that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of or in connection with any such contract;
25. that the Company and Panmure Gordon will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Panmure Gordon on its own behalf and on behalf of the Company and are irrevocable;
26. it is aware of, have complied with and will continue to comply with any obligations it has under the FCA's Money Laundering Rules, the Criminal Justice Act 1993, Market Abuse Regulation (EU) No 596/2014, FSMA, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001 and the Proceeds of Crime Act 2002 to the extent applicable to it and in respect of its subscription for Placing Shares: (i) it has complied fully with its obligations pursuant to the Money Laundering Regulations 2007; and (ii) it will provide Panmure Gordon on demand with any information it may require for the purposes of verification under the Money Laundering Regulations 2007;
27. that to ensure compliance with the FCA's Money Laundering Rules, the Terrorism Act 2000, the Anti-Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 (as applicable) Panmure Gordon may, in its absolute discretion, require verification of Placees' identity to the extent that it has not already provided the same. Pending the provision to Panmure Gordon of evidence of identity, definitive certificates in respect of Placing Shares may be retained at its absolute discretion. If within a reasonable time after a request for verification of identity Panmure Gordon has not

received evidence satisfactory to it, Panmure Gordon may, at its absolute discretion, terminate the proposed issue of Placing Shares to the Placee in which event the monies payable on acceptance of the allotment will, if paid, be returned without interest to the account of the drawee bank from which they were originally debited. No Placing Shares will be placed with a Placee if before Admission its acceptance of any Placing Shares is rejected pursuant to the Money Laundering Regulations 2007;

28. that it will not make any offer to the public of those Placing Shares to be subscribed by it for the purposes of the Prospectus Rules issued by the FCA with effect from 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004;
29. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to give the statements set out herein) for investment purposes only;
30. that this Announcement does not constitute an offer to sell, or the solicitation of an offer to buy, Placing Shares in any jurisdiction in which such an offer or solicitation is unlawful. It acknowledges and agrees that the Placing Shares have not been and will not be registered or qualified for sale under the securities laws of the United States, Japan, the Republic of South Africa, Canada or Australia or any jurisdiction where to do so would be unlawful. Accordingly, the Placing Shares may not be offered or sold, directly or indirectly, within the United States and it represents, warrants and acknowledges to Panmure Gordon that it will only offer and sell the Placing Shares outside the United States in offshore transactions in accordance with Regulation S under the US Securities Act or within the United States pursuant to a valid registration statement or pursuant to an available exemption therefrom under the Securities Act. The Placing Shares may not be sold within or to persons who are nationals of or are resident in or who are corporations or other entities organised under the laws of Japan, the Republic of South Africa, Canada or Australia or any jurisdiction where to do so would be unlawful unless pursuant to a relevant exemption. Each Placee agrees not to distribute this Announcement in or into the United States, Japan, the Republic of South Africa, Canada or Australia or any jurisdiction where to do so would be unlawful;
31. if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date any such Placing is accepted;
32. that information provided by it to the Company and the Company's registrars (the "**Registrars**") will be stored on the Company's and/or the Registrars' computer system(s). It acknowledges and agrees that for the purposes of the General Data Protection Regulation and other relevant data protection legislation which may be applicable (the "**Data Protection Law**"), the Company and the Registrars are required to specify the purposes for which they will hold personal data. The Company and the Registrars will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
33. that it has obtained the consent of any data subjects to the Registrars and the Company and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for

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

- (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
- (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- (iii) provide personal data to such third parties as the Company or the Registrars may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area;
- (iv) without limitation, provide such personal data to the Company or Panmure Gordon for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA States; and
- (v) process its personal data for the Company’s or Registrars’ internal administration;

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

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

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

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

When a Placee or person acting on behalf of the Placee is dealing with Panmure Gordon, any money held in an account with Panmure Gordon on behalf of the Placee and/or any person acting on behalf

of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Panmure Gordon's money in accordance with the client money rules and will be used by Panmure Gordon in the course of its own business and each Placee will rank only as a general creditor of Panmure Gordon.

APPENDIX III DEFINITIONS

“Admission”	First Admission and/or Second Admission, as the context requires
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange governing admission to AIM and the regulation of companies whose securities are admitted to trading on AIM (including any guidance notes), as each may be amended or reissued from time to time
“Announcement”	means this announcement (including the appendices to this announcement)
“Bookbuild”	the accelerated bookbuilding process launched immediately following this Announcement by which the Placing is being conducted
“Circular”	the circular of the Company giving (amongst other things) details of the Placing and Open Offer and incorporating the Notice of General Meeting, which is to be despatched on or around 19 September 2018
“Company” or “C4X Discovery” or “C4XD”	C4X Discovery Holdings plc
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear UK & Ireland Limited
“EIS”	the Enterprise Investment Scheme
“Eligible Shares”	those Placing Shares that will be offered to VCTs and to those investors seeking to claim EIS relief in relation to their investment
“Enlarged Share Capital”	the issued share capital of the Company upon completion of the Placing and Open Offer
“Existing Ordinary Shares”	the 46,555,087 Ordinary Shares in issue at the date of this Announcement all of which are admitted to trading on AIM
“FCA”	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“First Admission”	admission of the Eligible Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Form of Proxy”	the form of proxy for use by Shareholders in relation to the General Meeting to accompany the Circular
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company expected to be held at 10.00 a.m. on 5 October 2018, notice of which will be incorporated into the Circular

“General Placing Shares”	those Placing Shares that are not Eligible Shares
“Group”	the Company, its subsidiaries and subsidiary undertakings
“Issue Price”	the price per New Ordinary Share agreed between the Company and Panmure Gordon following completion of the Bookbuild
“London Stock Exchange”	London Stock Exchange Plc
“New Ordinary Shares”	the Placing Shares and the Open Offer Shares
“Notice of General Meeting”	the notice of General Meeting, to be set out at the end of the Circular
“Open Offer Shares”	the new Ordinary Shares to be offered to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Panmure Gordon”	Panmure Gordon (UK) Limited, broker to the Company
“Placee”	each person who is invited to and who chooses to participate in the Placing
“Placing”	the placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement as described in this Announcement
“Placing Agreement”	the agreement dated 18 September 2018 between the Company and Panmure Gordon relating to the Placing and Open Offer
“Placing Shares”	the new Ordinary Shares which are to be conditionally placed for cash with investors in accordance with the terms of the Placing Agreement and whose allotment and issue is conditional (amongst other things) on the passing of the Resolutions, comprising the Eligible Shares and the General Placing Shares
“Qualifying Shareholders”	Shareholders who do not have a registered address in a restricted jurisdiction, as described in the Circular
“Registrars”	Link Asset Services, registrar to the Company
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Second Admission”	admission of the General Placing Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Shareholders”	the holders of Ordinary Shares from time to time, each individually a “Shareholder”
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“US” or “United States”	the United States of America
“VCT”	venture capital trust

**APPENDIX IV
EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Record date for entitlement under the Open Offer	6.00 p.m. on 17 September 2018
Announcement of the Placing and Open Offer	[●] a.m. 18 September 2018
Ex-entitlement date for the Open Offer	8.00 a.m. on 19 September 2018
Posting of the Circular, Form of Proxy and Application Form (where applicable)	19 September 2018
Basic Entitlements and Excess Entitlements credited to stock accounts in CREST for Eligible Shareholders	20 September 2018
Latest recommended time and date for requested withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 30 September 2018
Latest time and date for depositing Basic Entitlements and Excess Entitlements in CREST	3.00 p.m. on 31 September 2018
Latest time and date for splitting Application Forms (to satisfy bona fide market claims only)	3.00 p.m. on 1 October 2018
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 3 October 2018
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 3 October 2018
General Meeting	10.00 a.m. on 5 October 2018
Results of the General Meeting and the Open Offer announced	5 October 2018
Admission of Eligible Shares to trading on AIM and commencement of dealings	8.00 a.m. on 8 October 2018
Admission of General Placing Shares and Open Offer Shares to trading on AIM and commencement of dealings	8.00 a.m. on 9 October 2018
CREST accounts to be credited for Eligible Shares to be held in uncertificated form	8 October 2018
CREST accounts to be credited for General Placing Shares and Open Offer Shares to be held in uncertificated form	9 October 2018
Expected date of dispatch of definitive share certificates for Placing Shares and Open Offer Shares to be held in certificated form	By 16 October 2018

Notes:

- 1) Events listed in the above timetable following the General Meeting are conditional on the Resolutions being passed at the General Meeting.
- 2) 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. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any Restricted Jurisdictions, further details of which will be set out in the Circular.
- 3) Each of the times and dates set out in the above timetable and mentioned in this Announcement is indicative only and are subject to change, by the Company (with the agreement of Panmure Gordon (UK) Limited), 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.
- 4) 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.
- 5) References to times in this Announcement are to London time unless otherwise states.
- 6) All references to legislation in this Announcement 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.

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