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THE INFORMATION COMMUNICATED WITHIN THIS ANNOUNCEMENT IS DEEMED TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.



23 November 2020

AIM: RENE.L

**ReNeuron Group plc**  
("ReNeuron", the "Group" or the "Company")

### **Proposed Placing, Subscription and Open Offer**

ReNeuron Group plc (AIM: RENE.L), a UK-based global leader in the development of cell-based therapeutics, announces its intention to raise gross proceeds of up to £13.9 million by means of a placing to institutional and other investors (the "**Placing**") and a direct subscription with the Company to raise gross proceeds of up to £1.1 million (the "**Subscription**"), in each case at a price of 70 pence per share ("**Issue Price**"). The net proceeds of the Placing and Subscription will allow the Group, *inter alia*, to deliver extended clinical data from its ongoing retinitis pigmentosa (RP) Phase 2a study and to deliver proof-of-concept pre-clinical data from ongoing exosome collaborations which could enable potential out-licensing deals, as detailed below more fully.

In addition, in order to provide all Qualifying Shareholders who do not take part in the Placing with an opportunity to participate in the proposed issue of new ordinary shares of one pence each in the capital of the Company, the Company also announces an Open Offer to raise up to a further £2.5 million (the Placing, Subscription and Open Offer together being the "**Transaction**", and the new ordinary shares proposed to be issued pursuant to the Transaction being the "**New Shares**").

The Placing will be conducted through an accelerated bookbuilding process (the "**Bookbuild**") which will be launched immediately following this Announcement. The Placing is subject to the terms and conditions set out in Appendix II to this Announcement.

Subject to successful closing of the Bookbuild, the Open Offer will be made of up to 3.5 million Open Offer Shares on the basis of 1 Open Offer Share for every 9 Existing Ordinary Shares held by Qualifying Shareholders at the Record Date.

### **HIGHLIGHTS**

- Placing and Subscription to raise up to £15.0 million (before expenses) through the issue of up to 21,428,571 New Shares at the Issue Price, with the Placing being split in two tranches, with the first tranche of the EIS/VCT Placing Shares being issued on First Admission and the second tranche of the General Placing Shares being issued on Second Admission
- The directors of the Company (the "**Directors**" or the "**Board**") intend to subscribe for, in aggregate, a total of £1.1 million for 1,507,142 New Shares in the Subscription at the Issue Price. Mark Evans, a Non-Executive Director, also intends to participate in the Placing by subscribing for 285,714 Placing Shares through Partners Investment Company LLP and Albemarle Life Sciences LLP
- During the past 20 months, the Company has continued to announce and present encouraging positive efficacy data from the ongoing US Phase 2a clinical trial of its hRPC cell therapy candidate in retinitis pigmentosa
- The Company has received regulatory approval in both the US and UK to expand its ongoing Phase 2a study in further patients at a higher dose level in those territories, with further readouts from the expanded study expected over the next 12 months
- Three collaboration agreements signed with major pharmaceutical/biotechnology companies to explore the potential of the Company's exosomes to deliver therapeutic agents to the brain, with proof-of-concept pre-clinical data results expected in H1 2021
- The net proceeds of the Placing and Subscription, together with the Company's existing cash resources are expected, in the opinion of the Directors, to extend its cash runway for at least the period of 18 months following the date of Admission

The Placing, Subscription and the issue of the Open Offer Shares are conditional, *inter alia*, on the passing by Shareholders of certain resolutions at the General Meeting, which is being convened, due to the current COVID-19 "stay at home measures", as a closed meeting with the minimum number of Shareholders legally required to be present, for 10.00 a.m. on 11 December 2020.

A circular which will provide further details of the Transaction and include a notice convening the General Meeting (the "**Circular**"), is expected to be sent to Shareholders and be available on the Company's website (<http://www.reneuron.com/>) on or around 24 November 2020.

The Placing Shares and the Subscription Shares are not being made available to the public and the Open Offer Shares will only be available to Qualifying Shareholders. The Placing and Open Offer are not being underwritten.

The New Shares, assuming full take-up of the Open Offer, will represent approximately 43.9 per cent. of the Enlarged Share Capital following Second Admission.

The Issue Price is at a discount of approximately 27.8 per cent to the mid-market closing price of an existing ordinary share on 20 November 2020.

Stifel is acting as broker and sole bookrunner in relation to the Placing and as nominated adviser.

**Set out below in Appendix I is an adapted extract from the draft Circular that is proposed to be sent to Shareholders after the closure of the Bookbuild. The final Circular, containing the terms and conditions of the Open Offer and Notice of General Meeting is expected to be sent to Shareholders and published on the Company's website on or around 24 November 2020.**

The capitalised terms not otherwise defined in the text of this Announcement are defined in Appendix III and the expected timetable of the principal events is set out in Appendix IV.

**ENQUIRIES:**

<b>ReNeuron</b> Olav Hellebø, Chief Executive Officer Michael Hunt, Chief Financial Officer	+44 (0) 20 3819 8400
<b>Buchanan</b> (UK Media/Investor relations) Mark Court, Tilly Abraham	+44 (0) 20 7466 5000
<b>Stifel Nicolaus Europe Limited</b> (NOMAD, Broker and Sole Bookrunner) Ben Maddison, Stewart Wallace	+44 (0) 20 7710 7600

*For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging for the release of this Announcement on behalf of the Company is Olav Hellebø, Chief Executive Officer.*

**Appendix II to this Announcement (which forms part of this Announcement) sets out further information relating to the Placing, including its terms and conditions.**

**Persons who have chosen to participate in the Placing, by making an oral or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendices) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix II.**

**About ReNeuron**

ReNeuron is a global leader in cell-based therapeutics, harnessing its unique stem cell technologies to develop 'off the shelf' stem cell treatments, without the need for immunosuppressive drugs. The Company's lead cell therapy candidate is in clinical development for the blindness-causing disease, retinitis pigmentosa.

ReNeuron is also advancing its proprietary exosome technology platform as a potential delivery system for drugs that treat diseases of the brain. The Company also has the ability through its conditionally immortalised induced pluripotent stem cell (iPSC) platform to make any tissue cells of choice; in-house programmes are focused on treatments for blood cancers and diabetes.

ReNeuron's shares are traded on the London AIM market under the symbol RENE.L. For further information visit [www.reneuron.com](http://www.reneuron.com)

## IMPORTANT NOTICES

Neither this Announcement, nor any copy of it, may be taken or transmitted, published or distributed, directly or indirectly, in, or into the United States, Canada, Australia, Japan, or the Republic of South Africa or to any persons in any of those jurisdictions or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction. This Announcement is for information purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, acquire or subscribe for any shares in the capital of the Company in the United States, Canada, Australia, Japan or the Republic of South Africa or any other state or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Any failure to comply with these restrictions may constitute a violation of securities laws of such jurisdictions. The Placing Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or under any 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, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offering of securities in the United States. Any failure to comply with the foregoing restrictions may constitute a violation of US securities laws. The distribution of this Announcement in other jurisdictions may be restricted by law and persons into whose possession this Announcement comes should inform themselves about, and observe, any such restrictions.

There is no intention to register any portion of the Placing in the United States or to conduct any public offering of securities in the United States or elsewhere. All offers of Placing Shares will be made pursuant to an exemption under the Prospectus Regulation (EU) 2017/1129, as amended from time to time, and includes any relevant implementing measure in any member state (the "**Prospectus Regulation**"), from the requirement to produce a prospectus.

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

Members of the public are not eligible to take part in the Placing. 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 within the meaning of article 2(e) of the Prospectus Regulation ("**Qualified Investors**"); and (b) in the United Kingdom, Qualified Investors who are persons who (i) have professional experience in matters relating to investments falling within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as

amended (the "**Order**"); (ii) 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 Announcement must not be acted on or relied on by persons who are not Relevant Persons.

This Announcement is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**") by, a person authorised under FSMA. This Announcement is being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply. No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult an independent financial adviser.

Persons (including without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement has been issued by, and is the sole responsibility of, the Company. No representation or warranty, express or implied, is or will be made by the Company or Stifel, or by any of their respective partners, directors, officers, employees, advisers, consultants or affiliates as to or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to any interested person or its advisers, and any liability therefore is expressly disclaimed. None of the information in this Announcement has been independently verified or approved by Stifel or any of their respective partners, directors, officers, employees, advisers, consultants or affiliates. Save for any responsibilities or liabilities, if any, imposed on Stifel by FSMA or by the regulatory regime established under it, no responsibility or liability is accepted by Stifel or any of its respective partners, directors, officers, employees, advisers, consultants or affiliates for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this Announcement or its contents or otherwise in connection with this Announcement or from any acts or omissions of the Company in relation to the Placing.

Stifel, which is authorised and regulated in the United Kingdom by the FCA, is acting for the Company and no-one else in connection with the transactions and arrangements described in this Announcement and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the transactions and arrangements described in this Announcement. Stifel is not responsible to anyone other than the Company for providing the protections afforded to clients of Stifel or for providing advice in connection with the contents of this Announcement or the transactions and arrangements described herein.

The distribution of this Announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Stifel that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company and Stifel to inform themselves about, and to observe, such restrictions.

No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult an independent financial adviser.

In connection with the Placing, Stifel and any of its affiliates, acting as investors for their own account, may take up a portion of the shares in the Placing as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Company or related investments in connection with the Placing or otherwise. Accordingly, references to Placing Shares being offered, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or acquisition, placing or dealing by Stifel and any of its affiliates acting in such capacity. In addition, Stifel and any of its affiliates may enter into financing arrangements (including swaps) with investors in connection with which Stifel and any of its respective affiliates may from time to time acquire, hold or dispose of shares. Stifel does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

### **Cautionary statements**

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any 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. The information contained in this Announcement is subject to change without notice and except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish 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 statements are based.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this Announcement.

### **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 "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i)

compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Stifel has only procured investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

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

## **APPENDIX I – EXTRACTS FROM THE CIRCULAR**

### **The Placing, Subscription and Open Offer**

#### **1. Introduction**

Today, 23 November 2020, the Company announces its intention to raise up to £15.0 million (before fees and expenses) by way of the Placing and Subscription and up to £2.5 million (before fees and expenses) by way of the Open Offer.

The Placing, Subscription and the issue of the Open Offer Shares are conditional, *inter alia*, on the passing by Shareholders of Resolutions 1 and 3 at the General Meeting, which is being convened for 10.00 a.m. on 11 December 2020.

As part of the Placing, the Company is seeking to raise funds by the issue of the EIS Placing Shares to investors seeking the benefit of tax relief under the EIS and the VCT Placing Shares to investors seeking the benefit of tax relief through VCT.

**Shareholders should note that although the Directors believe that the EIS Placing Shares should qualify for EIS Relief and that the issue of Ordinary Shares to a VCT should be regarded as a qualifying holding, no Advance Assurance has been received from HMRC, and consequently the availability of EIS Relief in relation to the EIS Placing Shares and whether Ordinary Shares issued to a VCT are a qualifying holding cannot be guaranteed.**

Application will be made to the London Stock Exchange for the EIS/VCT Placing Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and that dealings in EIS/VCT Placing Shares will commence at 8.00 a.m. on 14 December 2020 (being the business day following the General Meeting). Application will be made to the London Stock Exchange for the General Placing Shares,

the Subscription Shares and the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the General Placing Shares, the Subscription Shares and the Open Offer Shares will commence at 8.00 a.m. on 15 December 2020 (being the business day following First Admission).

If the conditions relating to the issue of the Placing Shares are not satisfied, or the Placing Agreement is terminated in accordance with its terms, the Placing Shares, the Subscription Shares and the Open Offer Shares will not be issued and the Company will not receive the related funds.

**Shareholders should note that it is possible that First Admission occurs but that Second Admission does not. If Second Admission does not occur then the Company will not receive the relevant net proceeds in respect of such Second Admission and the Company may not be able to finance the activities referred to in this document.**

### ***Importance of the vote***

**Shareholders should be aware that if Resolutions 1 and 3 are not approved at the General Meeting, the Transaction will not complete and the Net Proceeds will not be received by the Company. If this were to happen, the Group would only have sufficient working capital to trade through to the end of April 2021 without taking any mitigating measures and the Directors may not be in a position to pursue further the commercial activities of the Group and in such circumstances would need to take steps to manage the Group's cash resources and protect the position of its creditors.**

## **2. Background to and Reasons for the Transaction**

### ***Background to the Company***

ReNeuron is a global leader in cell-based therapeutics, harnessing its unique stem cell technologies to develop 'off the shelf' stem cell treatments, without the need for immunosuppressive drugs. The Company's clinical-stage candidates are in development for the blindness-causing disease, retinitis pigmentosa, and, via regional partnerships, for disability as a result of stroke.

ReNeuron is also advancing its proprietary exosome technology platform as a potential delivery system for drugs that treat diseases of the brain. The Company also has the ability through its conditionally immortalised induced pluripotent stem cell (iPSC) platform to make any tissue cells of choice; in-house programmes are focused on treatments for blood cancers and diabetes.

### ***Use of Proceeds***

Pursuant to the Transaction, the Company proposes to raise a minimum of £15.0 million (before expenses) primarily to fund the extension of its Phase 2a clinical study of hRPC in retinitis pigmentosa, to continue to progress its exosome and iPSC programmes, and for general working capital purposes. The Company



forecasts that the Net Proceeds raised from the Transaction, together with its existing resources, will extend its cash runway for at least the period of 18 months following the date of Admission.

The Directors intend to use the Net Proceeds as follows:

RP Phase 2a extended clinical trial, including clinical & regulatory support	£3.4 million
RP IVT pre-clinical programme	£1.6 million
Exosome & iPSC programmes – drug delivery collaborations	£2.3 million
Manufacturing & QA/QC, including process development and technology transfer in support of RP clinical study	£4.4 million
Facilities	£1.6 million
General and administrative costs	£2.8 million
R&D tax credit, revenue from assumed crystallisation of licence milestone & working capital movements <sup>(1)</sup>	£(2.0) million
<b>Total</b>	<b>£14.1 million</b>

(1) Total net proceeds of £14.1 million include assumed operational net cash inflows of £2.0 million in the period from May 2021 to the end of March 2022, based on the Company's current expectations, incorporating a R&D tax credit in respect of the 2020/21 tax year of £1.7 million, the crystallisation of a milestone from Fosun Pharma of net £0.9 million less an assumed £0.6 million working capital reduction.

Including the disclosed net operational cash inflows disclosed directly above, the Company's cash forecasts in the full period from the date of this document to the end of March 2022 include an additional net £1.0 million cash inflow, comprising a potential crystallisation of a regulatory milestone, totalling a net £0.9 million cash inflow in relation to the exclusive licence agreement signed with Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. ("**Fosun Pharma**") (the "**Fosun Licence**"), two R&D tax credits totalling £4.6 million and net negative working capital movements of £(4.5) million primarily in relation to ongoing run-off costs from legacy studies, which represent accrued expenses which will have to be paid out of the Group's existing cash balance.

### 3. Current Trading and Outlook

The Company expects to announce its interim results for the six months ended 30 September 2020 on 24 November 2020. Cash, cash equivalents and bank deposits at 30 September 2020 were £9.8 million (31 March 2020: £12.6 million) and ongoing operating costs have been reduced due to the Company's decision to focus its in-house activities on its retinal disease and exosome-based programmes.

During the past 20 months, the Company has continued to announce and present encouraging positive efficacy data from the ongoing US Phase 2a clinical trial of its hRPC cell therapy candidate in retinitis pigmentosa.

As previously reported, the degree of efficacy observed varies between patients. Since the last data set was announced on 29 June 2020, a further three patient data points have been observed, including two further patients at 12 months post treatment, and one further patient at 18 months post treatment. The latest mean results are set out in the table below.

Months post-treatment	Mean change from baseline in visual acuity in treated eye*	Mean change from baseline in visual acuity in untreated eye*	Difference in mean change between treated eye and untreated eye*
1	<b>+7.9 letters</b> (n=9)	+0.2 (n=9)	+7.7 (n=9)
2	<b>+8.0 letters</b> (n=9)	+1.2 (n=9)	+6.8 (n=9)
3	<b>+10.8 letters</b> (n=9)	+4.4 (n=9)	+6.4 (n=9)
6	<b>+9.6 letters</b> (n=9)	+3.4 (n=9)	+6.2 (n=9)
9	<b>+7.1 letters</b> (n=8)	+1.2 (n=8)	+5.9 (n=8)
12	<b>+9.9 letters</b> (n=7)	-2.4 (n=7)	+12.3 (n=7)

\* Excluding one patient who experienced surgical complications

Two patients have so far been assessed at 18 months:

Patient One: + 17 letters in treated eye, +1 letter in untreated eye

Patient Two: +6 letters in treated eye, + 22 letters in untreated eye

In addition, the Company received regulatory approvals in both the US and the UK to pursue this study in further patients at a higher dose level in those territories and expects to present further data from this extended study over the next 12 months, including six month data from the additional nine patients planned to be treated at the higher dose level. On 10 September 2020, the Company announced that patient dosing had now commenced in the US in this expanded Phase 2a clinical trial.

Additionally, the Company's exosome and iPSC cell technologies research continues to progress and the Company is targeting further collaboration agreements in the near term to complement the agreements it has already signed with major pharmaceutical/biotechnology companies regarding its exosome programme. It expects to announce initial proof of concept pre-clinical data from its exosome platform current research collaborations in H1 2021.

#### 4. Details of the Transaction

The Company intends to raise up to £15.0 million (before fees and expenses) by way of the Placing and Subscription.

Alongside the Placing, the Company is making an Open Offer at 70 pence per Open Offer Share pursuant to which it may raise up to a further £2.5 million (before expenses).

The maximum aggregate number of New Shares that may be issued pursuant to the Transaction is 24,970,384 New Shares, representing approximately 43.9 per cent of the Enlarged Share Capital.

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

The placing of the EIS/VCT Placing Shares is conditional, *inter alia*, on the following:

- i. Resolutions 1 and 3 being passed at the General Meeting;
- ii. the Placing Agreement not being terminated prior to First Admission; and
- iii. First Admission having become effective on or before 8 a.m. on 14 December 2020 (or such later date and/or time as the Company and Stifel may agree not being later than 8.00 a.m. on 31 December 2020).

The Placing of the General Placing Shares is conditional, *inter alia*, on the following:

- iv. First Admission having occurred;
- v. the Placing Agreement not being terminated prior to Second Admission; and
- vi. Second Admission having become effective on or before 8 a.m. on 15 December 2020 (or such later date and/or time as the Company and Stifel may agree not being later than 8.00 a.m. on 31 December 2020).

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of the relevant Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

#### ***Details of the Intention to Subscribe by the Directors***

The Directors intend to subscribe, in aggregate, a total of £1.1 million for 1,507,142 New Shares in the Subscription at the Issue Price. Mark Evans, a Non-Executive Director, also intends to participate in the Placing by subscribing for 285,714 Placing Shares through Partners Investment Company LLP and Albemarle Life Sciences LLP.

The Subscription has not been underwritten and, pursuant to the Subscription Letters to be executed by the Directors, is conditional, inter alia, upon:

- i. Resolutions 1 and 3 being passed at the General Meeting;
- ii. the Placing Agreement not being terminated prior to Second Admission and becoming and otherwise having become unconditional in all respects; and
- iii. Second Admission having become effective on or before 8 a.m. on 15 December 2020 (or such later date and/or time as the Company and Stifel may agree not being later than 8.00 a.m. on 31 December 2020)

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

On 23 November 2020, the Company entered into a placing agreement with Stifel, under which Stifel agreed to use its reasonable endeavours, as agent for the Company, to procure Placees for the Placing Shares at the Issue Price on the terms of the Placing Agreement. The Placing Agreement contains warranties from the Company in favour of Stifel in relation to, inter alia, the accuracy of the information in this and other documents and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify Stifel in relation to certain liabilities it may incur in respect of the Placing. Stifel has the right to terminate the Placing Agreement in certain circumstances, in particular in the event of a breach of the warranties or the occurrence of a force majeure event.

The Placing Agreement, insofar as it relates to the EIS/VCT Placing, is conditional, inter alia, (i) upon the passing of Resolutions 1 and 3 at the General Meeting, (ii) it not being terminated prior to First Admission, and (iii) First Admission taking place no later than 8.00 a.m. on 14 December 2020 (or such later time and/or date as the Company and Stifel may agree, not being later than 8.00 a.m. on 31 December 2020).

The Placing Agreement, insofar as it relates to the General Placing, is conditional, inter alia, (i) upon First Admission having occurred, (ii) it not being terminated prior to Second Admission; and (iii) Second Admission taking place no later than 8.00 a.m. on 15 December 2020 (or such later time and/or date as the Company and Stifel may agree, not being later than 8.00 a.m. on 31 December 2020).

## **General Meeting**

You will find set out at the end of this document a notice convening the General Meeting to be held at the offices of the Company at Pencoed Business Park, Pencoed, Bridgend, Wales CF35 5HY on 11 December 2020 at 10.00 a.m. where the following Resolutions will be proposed:

**Resolution 1** – An ordinary resolution to authorise the Directors to allot relevant securities for the purposes of section 551 of the Act provided that such power be limited to the allotment of the New Shares in connection with the Transaction.

**Resolution 2** – An ordinary resolution to authorise the Directors to:

- i. allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount, which represents one third of the enlarged issued share capital of the Company immediately following Second Admission (but ignoring any Subscription Shares and Open Offer Shares); and
- ii. allot equity securities in connection with a rights issue or other pre-emptive offers in favour of (i) holders of ordinary shares in proportion to their respective holdings of ordinary shares; and (ii) to holders of other equity securities as required by the rights attached to those securities or as the Directors otherwise consider necessary up to a maximum nominal amount, which represents one third of the enlarged issued share capital of the Company immediately following Second Admission (but ignoring any Subscription Shares and Open Offer Shares).

This Resolution is conditional upon Second Admission having occurred.

**Resolution 3** – A special resolution to authorise the Directors to allot equity securities for cash, pursuant to the authority conferred on them by Resolution 1, and to dis-apply statutory pre-emption rights in respect of the allotment of such shares, as if section 561 of the Act did not apply to such allotment, provided that such power shall be limited to the allotment of the New Shares in connection with the Transaction. This Resolution is conditional upon the passing of Resolution 1.

**Resolution 4** – A special resolution to authorise the Directors generally to allot and issue equity securities for cash pursuant to the authority conferred on them by Resolution 2, up to an aggregate nominal amount, which represents 20 per cent. of the enlarged issued share capital of the Company immediately following Second Admission (but ignoring any Subscription Shares and Open Offer Shares). This Resolution is conditional upon Second Admission having occurred and the passing of Resolution 2.

The authorities and the powers described in Resolutions 1 and 3 above will (unless previously revoked or varied by the Company in general meeting) expire on the date 3 months from the passing of such Resolutions or at the conclusion of the next annual general meeting of the Company following the passing of the Resolutions, whichever occurs first. The authorities and the powers described in Resolutions 2 and 4 above will (unless previously revoked or varied by the Company in general meeting) expire on the date 15 months from the passing of such Resolutions or at the conclusion of the next annual general meeting of the Company following the passing of the Resolutions, whichever occurs first. The authority and the power described in Resolutions 1 and 3 above are in addition to any like authority or power previously conferred on the Directors. The authority and the power described in Resolutions 2 and 4 above are in substitution for the authority and power previously conferred on the Directors pursuant to the like resolutions (being resolutions 3 and 4) passed at the Company's annual general meeting held on 10 September 2020.

### **Voting Intentions**

The Directors, who in aggregate hold 903,577 Existing Ordinary Shares, representing approximately 2.83 per cent. of the existing issued ordinary share capital of the Company, intend to vote in favour of the Resolutions at the General Meeting.

### **Action to be taken**

#### ***In respect of the General Meeting***

**Shareholders will not be allowed to attend the General Meeting in light of the Covid-19 situation and the Stay at Home measures that have been implemented by the UK Government. Consequently, anyone seeking to attend the General Meeting will be refused entry. The General Meeting will take place with the minimum necessary quorum of two shareholders which will be facilitated by the Company in line with the Government's social distancing advice. Shareholders are encouraged to complete and submit a Form of Proxy appointing the chairman of the General Meeting as their proxy with their voting instructions.**

### **Recommendation**

Your Directors consider that the Transaction and the authorities granted by the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, your Directors unanimously recommend that you vote in favour of the Resolutions as they intend to do in respect of their own shareholdings of 903,577 Ordinary Shares, representing approximately 2.83 per cent. of the Company's existing issued ordinary share capital.

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

### **IMPORTANT INFORMATION FOR PLACEES ONLY REGARDING THE PLACING**

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THE "**ANNOUNCEMENT**") AND THE INFORMATION IN IT, IS RESTRICTED, AND EXCEPT AS SET FORTH BELOW IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.

### **IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEES ONLY.**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS: WHO HAVE BEEN SELECTED BY STIFEL AND WHO ARE (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (TOGETHER WITH ANY IMPLEMENTING MEASURE IN SUCH MEMBER STATES, THE "**PROSPECTUS REGULATION**") ("QUALIFIED INVESTORS"), (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE "INVESTMENT PROFESSIONALS" WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (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 ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT 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 ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT HAS BEEN ISSUED BY AND IS THE SOLE RESPONSIBILITY OF THE COMPANY.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES OR PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED BY THIS ANNOUNCEMENT AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.

**EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO THE LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES. THE PRICE OF SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF THE PLACING SHARES. THE DISTRIBUTION OF THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON WHO COMES INTO POSSESSION OF THIS ANNOUNCEMENT OR ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.**

Persons who are invited to and who choose to participate in the Placing, by making (or on whose behalf there is made) an oral or written offer to subscribe for Placing Shares (each such person whose participation is accepted by Stifel in accordance with this Appendix being hereinafter referred to as a **"Placee"** and together, as the **"Placees"**), will be deemed to have read and understood this Announcement, including this Appendix, in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, (i) the Placing Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area ("**EEA**") or persons in any jurisdiction to which the Prospectus Regulation otherwise applies, other than Qualified Investors or in circumstances in which the prior consent of Stifel has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Member State of the EEA or persons in any jurisdiction to which the Prospectus Regulation otherwise applies, other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;
3. if it is located outside the United States, it is subscribing for Placing Shares in an "offshore transaction" (within the meaning of Regulation S) and is purchasing the Placing Shares for its own account or is purchasing the Placing Shares for an account with respect to which it exercises sole investment discretion and that it (and any such account) is located outside the United States or it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust), in reliance upon Regulation S; and/or
4. it (and any accounts it represents) is both (a) QIB and (b) an IAI, and it will duly execute and deliver a US Investor Letter to the Company and Stifel.

The Company and Stifel will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

This Announcement does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. No action has been taken by the Company or Stifel that would permit an offering of such securities or possession or distribution of this document or any other offering or publicity material relating to such securities in any jurisdiction where action for that purpose is required. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, Japan or the Republic of South Africa or in any jurisdiction in which such publication or distribution is unlawful. Persons into whose possession this Announcement may come are required by the Company to inform themselves about and to observe any restrictions on transfer of this Announcement. No public offer of securities of the Company is being made in the United Kingdom, the United States or elsewhere.

The Placing Shares will not be lodged with or registered by the Australian Securities and Investments Commission and are not being offered for subscription or sale and may not be directly or indirectly offered, sold, taken up, transferred or delivered in or into Australia or to or for the account or benefit of any person or corporation in (or with a registered address in) Australia. The relevant clearances have not been, and will not be obtained from the Ministry of Finance of Japan and no circular in relation to the Placing Shares has been or will be lodged with or registered by the Ministry of Finance of Japan. The Placing Shares may not therefore be offered, taken up, transferred or sold, directly or indirectly, in or into Japan, its territories and possessions and any areas subject to its jurisdiction or to any resident of Japan. The approval of the South African Exchange Control Authorities has not been, and will not be, obtained in relation to the Placing Shares. The Placing Shares may not therefore be offered, taken up, transferred or sold directly or indirectly in or into South Africa or to a resident of South Africa. The Placing Shares may not be offered, taken up, transferred or sold directly or indirectly in or into Canada or to a resident of Canada.

Any indication in this Announcement of the price at which 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.

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

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action. Stifel is acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for providing advice in relation to the matters described in this Announcement.

### **Details of the Placing**

Stifel has entered into the Placing Agreement with the Company under which Stifel has, on the terms and subject to the conditions set out therein, undertaken to use its reasonable endeavours to procure, as agent for the Company, subscribers for the Placing Shares at the Issue Price.

Certain of the Placing Shares (the “EIS/VCT Placing 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.

The Placing Agreement contains customary undertakings and warranties given by the Company to Stifel including as to the accuracy of information contained in this Announcement, to matters relating to the Company and its business and a customary indemnity given by the Company to Stifel in respect of liabilities arising out of or in connection with the Placing.

The Placing is conditional upon, amongst other things, the approval of the Resolutions by Shareholders at the General Meeting (further details of which are set out below) and the Placing Agreement not being terminated in accordance with its terms. The Placing is not underwritten by Stifel.



The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of the Shares after the relevant date of issue of the Placing Shares.

The Company, subject to certain exceptions, has agreed not to offer, issue, lend, sell or contract to sell, issue options in respect of or otherwise dispose of or announce an offer or issue of any of its Shares or securities exchangeable or convertible into its Shares in the period of 90 days from the date of First Admission without prior written consent of Stifel.

The Company is also separately (i) making an Open Offer of up to 3,541,813 Shares; and (ii) proposing to issue the Subscription Shares to certain of the Directors.

### **Applications for admission to trading**

Applications will be made to the London Stock Exchange for First Admission and Second Admission. It is expected that settlement of the EIS/VCT Placing Shares and First Admission will become effective on or around 8.00 a.m. on 14 December 2020 and that dealings in the EIS/VCT Placing Shares will commence at that time. It is expected that settlement of the General Placing Shares and Second Admission will become effective on or around 8.00 a.m. on 15 December 2020 and that dealings in the General Placing Shares will commence at that time.

### **Bookbuild**

Stifel will today commence the bookbuilding process in respect of the Placing (the "**Bookbuild**") to determine demand for participation by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

Stifel 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.

### **EIS and VCT**

The Company has not applied for, nor has it received, Advance Assurance from HMRC that the EIS Placing Shares will qualify for EIS Relief nor that the issue of Ordinary Shares to a VCT should be regarded as a qualifying holding for the purposes of the Income Tax Act 2007. Further, none of the Company, the Directors or any of the Company's advisers give any warranty or undertaking that reliefs will be available and not withdrawn at a later date.

### **Participation in, and principal terms of, the Placing**

1. Stifel will arrange the Placing as agent for and on behalf of the Company.
2. Stifel, which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company and no-one else in connection with the transactions and arrangements described in this Announcement and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the transactions and arrangements described in this Announcement. Stifel is not responsible to anyone other than the Company for providing the protections afforded to clients of Stifel or for providing advice in connection with the contents of this Announcement or the transactions and arrangements described herein.
3. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to

participate by Stifel or its sub-agent. Stifel and the Company will determine in their absolute discretion the extent of each Placee's participation in the Placing, which will not necessarily be the same for each Placee.

4. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.
5. The Issue Price will be a fixed price of 70 pence per New Ordinary Share.
6. The final number of Placing Shares will be agreed between Stifel and the Company following completion of the Bookbuild. The number of Placing Shares will be announced on an FCA-listed regulatory information service following the completion of the Bookbuild.
7. To bid in the Bookbuild, Placees should communicate their bid by telephone or in writing to their usual sales contact at Stifel or its sub-agent. Each bid should state the number of Placing Shares which the prospective Placee wishes to acquire at the Issue Price. Bids may be scaled down by Stifel on the basis referred to in paragraph 12 below.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with Stifel's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee's obligations will be owed to the Company and Stifel.
9. The Bookbuild is expected to close by 8.00 p.m. on 23 November 2020, but may be closed earlier or later at the absolute discretion of Stifel. Stifel may, in agreement with the Company, accept bids that are received after the Bookbuild has closed. The Company reserves the right (upon the agreement of Stifel) to reduce or seek to increase the amount to be raised pursuant to the Placing.
10. Each prospective Placee's allocation will be determined by Stifel in its sole discretion and if successful will be confirmed to it either orally or in writing by Stifel or its sub-agent following the close of the Bookbuild and a Contract Note will be despatched as soon as possible thereafter. The terms of this Appendix will be deemed incorporated by reference therein. The oral confirmation to the Placee by Stifel or its sub-agent constitutes an irrevocable, legally binding contractual commitment in favour of the Company and Stifel (as agent for the Company) to subscribe for the number of Placing Shares allocated to it at the Issue Price and on the terms set out in this Appendix and in accordance with the Company's articles of association.
11. Subject to paragraphs 8 and 10 above, Stifel may choose to accept bids, either in whole or in part, on the basis of allocations determined in agreement with the Company and may scale down any bids for this purpose on such basis as they may determine. Stifel may also, notwithstanding paragraphs 8 and 10 above, subject to the prior consent of the Company (i) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (ii) allocate Placing Shares after the Bookbuild has closed to any person submitting a bid after that time.
12. Except as required by law or regulation, no press release or other announcement will be made by Stifel or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
13. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Company and Stifel, to pay in cleared funds immediately on the settlement date, in accordance with

the registration and settlement requirements set out below, an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to take up and the Company has agreed to allot.

14. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the times and on the basis explained below under "Registration and Settlement".
15. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
16. By participating in the Bookbuild, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
17. To the fullest extent permissible by law, none of the Company, Stifel or any of their respective affiliates, agents, directors, officers or employees, shall have any liability to Placees nor shall they owe any Placees fiduciary duties in respect of any claim they may have (or to any other person whether acting on behalf of a Placee or otherwise) under these terms and conditions. In particular, none of the Company, Stifel or any of their respective affiliates, agents, directors, officers or employees shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of Stifel's conduct of the Bookbuild and the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and neither Stifel nor any of its affiliates, agents, directors, officers or employees shall have any liability to the Placees for the failure of the Company to fulfil those obligations.

### **Conditions of the Placing**

Stifel's obligations under the Placing Agreement in relation to the EIS/VCT Placing are conditional on, inter alia:

- (a) the Company allotting, subject only to First Admission, the EIS/VCT Placing Shares in accordance with the Placing Agreement;
- (b) the passing (without amendment) of the Resolutions at the General Meeting; and
- (c) First Admission occurring on or before 8.00 a.m. on 14 December 2020, and the Placing Agreement not having been terminated prior First Admission or such later time and/or date, being no later than 8.00 a.m. on 31 December 2020, as the Company may agree with Stifel.

Stifel's obligations under the Placing Agreement in relation to the General Placing are conditional on, inter alia:

- (a) First Admission having occurred;
- (b) the Company allotting, subject only to Second Admission, the General Placing Shares, the Open Offer Shares and the Subscription Shares in accordance with the Placing Agreement; and
- (c) Second Admission occurring on or before 8.00 a.m. on 15 December 2020, and the Placing

Agreement not having been terminated prior Second Admission or such later time and/or date, being no later than 8.00 a.m. on 31 December 2020, as the Company may agree with Stifel.

Stifel's obligations under the Placing Agreement are also conditional on, inter alia, in the sole judgement of Stifel, there not having occurred since the date of the Placing Agreement any material adverse change in the condition (financial, operational, legal or otherwise), earnings, business, trading position, management, properties, assets, rights, results of operations, shareholders' funds or prospects of the Group as a whole ("**Material Adverse Effect**").

If (i) any of the conditions contained in the Placing Agreement are not fulfilled or waived by Stifel in writing by the time or date where specified (or such later time or date as the Company and Stifel may agree, not being later than 8.00 a.m. on 31 December 2020), or (ii) the Placing Agreement is terminated as described below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof. For the avoidance of doubt the Placing shall not be conditional on the Open Offer being subscribed for by Qualifying Shareholders. 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 31 December 2020, to the extent the EIS/VCT Placing 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 Placees' rights and obligations in respect of Second Admission shall cease and determine at such time.

Stifel may, in its absolute discretion, waive the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that certain conditions, including the condition relating to the passing of the Resolutions at the General Meeting, Admission taking place and the Company allotting the Placing Shares subject only to Admission taking place, and the time by which these must occur, may not be waived and the period for compliance with such conditions may not be extended. Any such waiver will not affect Placees' commitments as set out in this Announcement.

None of Stifel or the Company, nor any of their respective affiliates, agents, directors, officers or employees, shall have any liability to any Placee (whether in respect of First Admission or Second Admission) (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Stifel and the Company.

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

Stifel is entitled in its absolute discretion, at any time before First Admission or Second Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including, inter alia:

- (a) in the sole judgement of Stifel (acting in good faith), if any warranty in the Placing Agreement would if repeated at any time up to First Admission or Second Admission (by reference to the facts and circumstances then existing) be untrue or inaccurate or misleading;

- (b) in the sole judgement of Stifel (acting in good faith), there has occurred a breach by the Company of any of its obligations under the Placing Agreement;
- (c) in the sole judgement of Stifel (acting in good faith), there has occurred any Material Adverse Effect since the date of the Placing Agreement or there is a fact, circumstance or development reasonably likely to result in a Material Adverse Effect; or
- (d) there has been an outbreak of hostilities; an incident of terrorism; a material deterioration in, or material escalation in the response to, the Covid-19 pandemic; a declaration of a state of emergency or martial law or other calamity or crisis, national or international emergency or war; any change in national or international monetary, political, financial or economic conditions or currency exchange rates or foreign exchange controls; a suspension or material limitation in trading of securities generally on the London Stock Exchange, the New York Stock Exchange or NASDAQ; a material disruption of commercial banking or settlement or clearance services in the United States, Asia or in Europe; or any other adverse change (or prospective adverse change) in the United Kingdom regarding taxation affecting the Shares, in each case as would be likely in the sole judgement of Stifel (acting in good faith) to prejudice the success of the Placing, dealings in the Shares in the secondary market or which makes it, in the sole judgement of Stifel (acting in good faith), impractical to proceed with the Placing.

Following Second Admission, the Placing Agreement is not capable of termination.

The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by Stifel of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Stifel, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise. Placees will have no rights against Stifel, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

#### **No admission document or prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require an admission document or prospectus in the United Kingdom or in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to 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 the Announcement (including this Appendix) and the Exchange Information (as defined further below). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information (other than the Exchange Information), representation, warranty, or statement made by or on behalf of the Company, Stifel, any of their respective affiliates, agents, directors, officers or employees, or any other person and neither Stifel, the Company, any of their respective affiliates, agents, directors, officers or employees nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees

may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by Stifel, the Company, or their respective officers, directors, employees or agents. 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. Neither the Company nor Stifel are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Registration and settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00BF5G6K95) following First Admission and Second Admission will take place within CREST provided that, subject to certain exceptions, Stifel reserves the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Following the close of the Bookbuild for the Placing, each Placee allocated Placing Shares in the Placing will be sent a Contract Note stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to Stifel (as agent for the Company) or its sub-agent and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with Stifel or its sub-agent.

It is expected that settlement in respect of the (i) the EIS/VCT Placing Shares will be on 14 December 2020 on a T+20 basis; and (ii) the General Placing Shares will be on 15 December 2020 on a T+21 basis, in each case in accordance with the instructions set out in the Contract Note.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by Stifel.

Each Placee is deemed to agree that, if it does not comply with these obligations, Stifel may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for Stifel's account and benefit (as agents for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify Stifel (as agent for the Company) on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on Stifel all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Stifel lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the Contract Note 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 or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Representations, warranties and further terms**

By submitting a bid and/or participating in the Placing each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and Stifel (including its sub-agent), namely that, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood the Announcement, including this Appendix, in its entirety and that its participation in the Bookbuild and the Placing and its subscription of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and not in reliance on any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Company, the Placing, the Open Offer or otherwise, other than the information contained in this Announcement, and undertakes not to redistribute or duplicate this Announcement or any part of it;
2. acknowledges that no offering document, admission document or prospectus has been prepared in connection with the Bookbuild or the Placing and represents and warrants that it has not received and will not receive a prospectus, admission document or other offering document in connection therewith;
3. acknowledges that the Shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules for Companies (collectively "**Exchange Information**"), which includes the Company's most recent balance sheet and profit and loss account and similar statements published in the preceding 12 months and that the Placee is able to obtain or access such information or comparable information without undue difficulty;
4. acknowledges that none of Stifel, the Company, nor any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested Stifel, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information and has read and understood the Exchange Information;
5. acknowledges that the content of this Announcement is exclusively the responsibility of the Company, and that neither Stifel nor any of its affiliates, agents, directors, officers or employees, or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only

information on which it is entitled to rely and on which such Placee has relied on in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by Stifel, the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the Research Department of Stifel (the views of such Research Department not representing and being independent from those of the Company and the Corporate Finance Department of Stifel and not being attributable to the same)), and neither Stifel, nor the Company, will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Announcement as it may otherwise place on a prospectus or admission document. Each Placee further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and it will not rely on any investigation that Stifel, its affiliates, agents, directors, officers or employees or any other person acting on their behalf has or may have conducted;

6. represents and warrants that it has neither received nor relied on any 'inside information' as defined in the Market Abuse Regulation (Regulation 596/2014/EU) concerning the Company in accepting this invitation to participate in the Placing;
7. acknowledges that Stifel does not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that Stifel is not acting for it or its clients and that Stifel will not be responsible for providing protections to it or its clients;
8. acknowledges that neither Stifel nor its affiliates, agents, directors, officers or employees, or any person acting on behalf of them has or shall have any liability for the Exchange Information, any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
9. neither Stifel, its ultimate holding company nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective affiliates, agents, directors, officers or employees shall be liable to Placees for any matter arising out of Stifel's role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law each Placee will immediately waive any claim against any of such persons which the relevant Placee may have in respect thereof;
10. acknowledges that the Placing Shares have not been and will not be registered under the Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority;



11. represents and warrants that, except as otherwise permitted by the Company: (i) if it is located outside the United States, it is subscribing for Placing Shares in an "offshore transaction" (within the meaning of Regulation S) and is purchasing the Placing Shares for its own account or is purchasing the Placing Shares for an account with respect to which it exercises sole investment discretion and that it (and any such account) is located outside the United States or it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust), in reliance upon Regulation S; or (ii) it (and any accounts it represents) is both (a) a QIB and (b) an IAI, and it has duly executed a US Investor Letter in a form provided to it and delivered the same to the Company and Stifel;
12. acknowledges that no representation has been made as to the availability of Rule 144 or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
13. it is not acquiring the Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and, unless otherwise disclosed to Stifel and the Company in writing, it is not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares is given;
14. it is not subscribing for any Placing Shares as a result of (i) any "directed selling efforts" as that term is defined in Regulation S under the Securities Act or (ii) any form of "general solicitation or general advertising" within the meaning of Regulation D under the Securities Act;
15. represents and warrants that neither it, nor the beneficial owner if different of such Placing Shares, will be a resident of Canada, Australia, Japan or the Republic of South Africa;
16. acknowledges and agrees that the relevant clearances have not been and will not be obtained from the securities commission of any province of Canada and that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
17. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer Placing Shares into a clearance system;
18. represents and warrants that: (i) it is aware of and has complied with its obligations under the Criminal Justice Act 1993 and the Market Abuse Regulation (Regulation 596/2014/EU); (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and any related rules, regulations or guidelines issued, administered or enforced by any government agency having jurisdiction in respect thereof; and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of

the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "**Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Stifel such evidence, if any, as to the identity or location or legal status of any person which Stifel may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Stifel on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Stifel may decide in its sole discretion;

19. if a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, represents and warrants that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the European Economic Area or to persons in a jurisdiction to which the Prospectus Regulation otherwise applies, other than Qualified Investors, or in circumstances in which the prior consent of Stifel has been given to the offer or resale;
20. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the European Economic Area prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the European Economic Area within the meaning of the Prospectus Regulation (including any relevant implementing measure in any member state);
21. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
22. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
23. if in a Member State of the European Economic Area, unless otherwise specifically agreed with Stifel in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Regulation;
24. if in the United Kingdom, represents and warrants that it is (A) a Qualified Investor within the meaning of article 2(E) of the Prospectus Regulation, and that it is (B) a person (i) who has professional

experience in matters relating to investments and is an "investment professional" falling within Article 19(5) of the Order; (ii) who falls within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order; or (iii) to whom this Announcement may otherwise be lawfully communicated;

25. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
26. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by Stifel;
27. if it is acting as a "distributor" (for the purposes of MiFID II Product Governance Requirements):
  - 27.1. it acknowledges that the Target Market Assessment undertaken by Stifel does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels;
  - 27.2. notwithstanding any Target Market Assessment undertaken by Stifel, it confirms that, other than where it is providing an execution- only service to investors, it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Placing Shares and that it has considered the compatibility of the risk/reward profile of such Placing Shares with the end target market;
  - 27.3. it acknowledges that the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom;
28. it is capable of being categorised as a person who is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
29. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as Stifel may in its

sole discretion determine and without liability to such Placee and it will remain liable and will indemnify Stifel on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;

30. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to acquire, and that Stifel may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
31. acknowledges that neither Stifel, nor any of its affiliates, or any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of Stifel and that Stifel does not have any duties or responsibilities to it for providing the protections afforded to their clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
32. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither Stifel, nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and Stifel in respect of the same on the basis that the Placing Shares will be credited to the CREST stock accounts of Stifel or its sub-agent who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
33. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Stifel in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;
34. acknowledges that time shall be of the essence as regards to obligations pursuant to this Appendix;
35. agrees that the Company, Stifel and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to Stifel on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Announcement or a copy thereof to any interested party in any

- administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
36. agrees to indemnify on an after-tax basis and hold the Company, Stifel and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
  37. acknowledges that the Company has not applied for, nor has it received, Advance Assurance from HMRC that the EIS Placing Shares will qualify for EIS Relief nor that the issue of Ordinary Shares to a VCT should be regarded as a qualifying holding for the purposes of the Income Tax Act 2007. Further, none of the Company, the Directors or any of the Company's advisers give any warranty or undertaking that reliefs will be available and not withdrawn at a later date;
  38. acknowledges that no action has been or will be taken by any of the Company, Stifel or any person acting on behalf of the Company or Stifel that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
  39. acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
  40. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the Contract Note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;
  41. acknowledges that Stifel, or any of its affiliates acting as an investor for their own account may take up shares in the Company and in that capacity may retain, purchase or sell for their own account such shares and may offer or sell such shares other than in connection with the Placing;
  42. represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation; and
  43. to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Announcement including this Appendix.

The representations, warranties, acknowledgments and undertakings contained in this Appendix are given to Stifel and the Company and are irrevocable and shall not be capable of termination in any circumstances.

The agreement to settle a Placee's subscription (and/or the subscription of 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 a subscription 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 subscribed for 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 relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which none of the Company or Stifel will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Stifel in the event that any of the Company or Stifel has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify Stifel accordingly.

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

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

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

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

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

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

### **APPENDIX III – DEFINITIONS**

In this Appendix to the Announcement and, as the context shall admit, in the Announcement:

**'Admission'** means First Admission and/or Second Admission, as the context requires;

**'Advance Assurance'** means written confirmation from HMRC that, *inter alia*, shares in the Company will rank as "eligible shares" and will meet the requirements for relief under EIS, for the time being and in so far as the requirements relate to the Company.

**'AIM'** means the market of that name operated by the London Stock Exchange;

**'AIM Rules for Companies'** or **'AIM Rules'** means the provisions of the London Stock Exchange's AIM Rules for Companies as amended from time to time governing, inter alia, admission to AIM and the continuing obligations of AIM companies;

**'Announcement'** means this announcement (including the appendix to this announcement);

**'Application Form'** means the application form in respect of the Open Offer Shares for use by Qualifying non-CREST Shareholders and in certain limited circumstances by Qualifying CREST Shareholders;

**'Circular'** means the circular to be sent to certain Shareholders on or around 24 November 2020;

**'Company'** means ReNeuron Group plc, a company registered in England and Wales with company number **05474163** whose registered office is at Pencoed Business Park, Pencoed, Bridgend, Wales, CF35 5HY;

**'Contract Note'** means the trade confirmation to be sent to each Placee stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to Stifel (as agent for the Company) or its sub-agent and settlement instructions;

**'CREST'** means the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations);

**'CREST Regulations'** means the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;

**'Directors'** or **'Board'** means the directors of the Company as at the date of this Announcement;

**'EIS'** means the Enterprise Investment Scheme under Part 4 of the Income Tax Act 2007 and Schedule 5B of the Taxation of Chargeable Gains Act 1992, as amended from time to time;

**'EIS Placing Shares'** means the new Shares to be issued pursuant to the Placing to certain persons seeking to invest in "eligible shares" for the purposes of the EIS;

**'EIS Relief'** means the relief available to investors under EIS;

**'EIS/VCT Placing Shares'** means the EIS Placing Shares and the VCT Placing Shares;

**'Enlarged Share Capital'** means the issued ordinary share capital of the Company immediately following the issue of the New Ordinary Shares;

**'Excluded Overseas Shareholders'** means Shareholders with registered addresses in a Restricted Jurisdiction;

**'Existing Ordinary Shares'** means the 31,876,324 Shares in issue as at the date of this Announcement, being the entire issued share capital of the Company prior to the Transaction;

**'FCA'** means the Financial Conduct Authority of the United Kingdom;

**'Form of Proxy'** means the form of proxy which will accompany the Circular for use in connection with the General Meeting;

**'First Admission'** means admission of the EIS/VCT Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules;

**'FSMA'** means the Financial Services and Markets Act 2000 (as amended);

**'General Meeting'** means the general meeting of the Company to be convened for 10.00 a.m. on 11 December 2020 (or any adjournment thereof), notice of which is set out in the Circular;

**'General Placing'** means the placing of the General Placing Shares;

**'General Placing Shares'** means the Placing Shares that are not the EIS/VCT Placing Shares;

**'IAI'** means an institutional "accredited investor" within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 of Regulation D;

**'Issue Price'** means 70 pence per New Ordinary Share;

**'London Stock Exchange'** means London Stock Exchange plc;

**'New Ordinary Shares'** means the Placing Shares, the Open Offer Shares and the Subscription Shares;

**'Net Proceeds'** means the net cash proceeds receivable by the Company from the Placing, Subscription and Open Offer after the deduction of all fees, commissions, costs and expenses payable by the Company in relation to the Transaction;

**'Open Offer'** means the conditional invitation to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions to be set out in the Circular and, in the case of Qualifying Non-CREST Shareholders only, the Application Form;

**'Open Offer Shares'** means up to 3,541,813 new Shares to be offered to Qualifying Shareholders;

**'Placee'** means the persons who are to subscribe for Placing Shares pursuant to the Placing and whose participation is accepted by Stifel in accordance with the Appendix;

**'Placing'** means the placing of the Placing Shares by Stifel, on behalf of the Company, with Placees pursuant to the Placing Agreement;

**'Placing Agreement'** means the placing agreement dated 23 November 2020 between the Company and Stifel in respect of the Placing;

**'Placing Shares'** means up to 19,921,429 new Shares, comprising the EIS/VCT Placing Shares and the General Placing Shares;

**'Prospectus Regulation'** means Regulation (EU) 2017/1129;

**'QIB'** means a "qualified institutional buyer" as defined in Rule 144A under the Securities Act;

**'Qualifying CREST Shareholders'** means Qualifying Shareholders whose Shares on the Register on the Record Date are in uncertificated form;

**'Qualifying non-CREST Shareholders'** means Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date;

**'Qualifying Shareholders'** means Shareholders other than Excluded Overseas Shareholders;

**'Record Date'** means close of business on 20 November 2020;

**'Register'** means the register of members of the Company;

**'Regulation D'** means Regulation D promulgated under the Securities Act;

**'Regulation S'** means Regulation S promulgated under the Securities Act;

**'Resolutions'** means the resolutions to be proposed at the General Meeting;



**'Restricted Jurisdictions'** means the United States, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law;

**'Second Admission'** means admission of (i) the General Placing Shares to be issued pursuant to the Placing; (ii) the Open Offer Shares to be issued pursuant to the Open Offer and (iii) the Subscription Shares to be issued pursuant to the Subscription to trading on AIM becoming effective by means of the issue by the London Stock Exchange of a dealing notice under Rule 6 of the AIM Rules for Companies;

**'Securities Act'** means the US Securities Act of 1933, as amended;

**'Shareholders'** means holders of Shares whose names appear on the Register on the Record Date;

**'Shares' or 'Ordinary Shares'** means the ordinary shares of £0.01 each in the capital of the Company;

**'Stifel'** means Stifel Nicolaus Europe Limited registered in England and Wales with number 03719559, whose registered office is at 4<sup>th</sup> Floor, 150 Cheapside, London, EC2V 6ET;

**'Subscription'** means the conditional subscription by the Directors for Subscription Shares at the Issue Price in accordance with the Subscription Letters;

**'Subscription Letters'** means the subscription letters which are expected to be entered into between the Company and each of the Directors as soon as possible following the Company's announcement of its interim results for the six months ended 30 September 2020, pursuant to which the Directors will subscribe for the Subscription Shares at the Issue Price;

**'Subscription Shares'** means 1,507,142 new Shares to be issued pursuant to the Subscription;

**'United Kingdom' or 'UK'** means the United Kingdom of Great Britain and Northern Ireland;

**'United States' or 'US'** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

**'US Investor Letter'** means the investor representation letter in the form approved by Stifel to be executed by any Placee that is a US Person;

**'US Person'** means a "U.S. person" as defined in Regulation S;

**'VCT'** means a company which is, for the time being, approved as a venture capital trust as defined by Section 259 of the Income Tax Act 2007; and

**'VCT Placing Shares'** means the new Shares to be issued pursuant to the Placing to VCTs.

#### APPENDIX IV – EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	Close of business	20 November 2020
Announcement of the Proposed Placing, Subscription and Open Offer	4.30 p.m.	23 November 2020
Ex-entitlement Date of the Open Offer	7.00 a.m.	24 November 2020
Announcement of the result of the Placing and Subscription and publication and posting of the Circular		24 November 2020

(including notice of General Meeting), Application Forms and Forms of Proxy

Open Offer Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	As soon as possible after 8:00 a.m.	25 November 2020
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements from CREST	4:30 p.m.	4 December 2020
Latest time and date for depositing Open Offer Entitlements into CREST	3:00 p.m.	7 December 2020
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m.	8 December 2020
Latest time and date for receipt of Forms of Proxy and electronic appointments of proxies via CREST	10:00 a.m.	9 December 2020
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	11:00 a.m.	10 December 2020
<b>General Meeting</b>	10:00 a.m.	11 December 2020
<b>Announcement of the results of the General Meeting and the Open Offer</b>		11 December 2020
<b>First Admission and commencement of dealings in EIS/VCT Placing Shares</b>	8:00 a.m.	14 December 2020
<b>EIS/VCT Placing Shares in uncertificated form expected to be credited to accounts in CREST</b>	As soon as possible after 8:00 a.m.	14 December 2020
<b>Second Admission and commencement of dealings in General Placing Shares, Subscription Shares and Open Offer Shares</b>	8:00 a.m.	15 December 2020
<b>General Placing Shares, Subscription Shares and Open Offer Shares in uncertificated form expected to be credited to accounts in CREST</b>	As soon as possible after 8:00 a.m.	15 December 2020
Despatch of definitive share certificates for the New Shares in certificated form		Within 10 business days of the relevant Admission

(1) References to are to London time (unless otherwise stated).

(2) The dates and timing of the events in the above timetable and in the rest of the Circular are indicative only and may be subject to change.

(3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement through a Regulatory Information Service.

