Acquisitions & Proposed Placing

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discoverIE Group plc
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16 April 2019

discoverIE Group plc

("discoverIE", the "Company" or the "Group")

Acquisitions of Hobart Electronics and Positek Limited

Proposed placing to raise approximately £29m

discoverIE, a leading international designer, manufacturer and supplier of customised electronics to industry, today announces the acquisitions of Coil-Tran Corporation which trades as Hobart Electronics ("Hobart") and of Positek Limited ("Positek", collectively the "Acquisitions") together with a proposed placing to raise gross proceeds of approximately £29m (the "Placing").

Highlights of the Acquisitions

- Hobart is a US-based designer and manufacturer of custom transformers, inductors and magnetic components, which reported revenues of $13.0m (£10.0m) for its year ended 31 December 2018, generating reported EBITDA of $2.1m (£1.6m).
- The consideration for Hobart comprises an initial cash consideration of $15.2m (£11.7m, the "Initial Hobart Consideration") and a further contingent cash consideration of up to $4.0m (£3.1m) which is subject to customary adjustments, payable subject to the achievement of certain growth targets over the next three years.
- Positek is a UK-based designer and manufacturer of rugged, high accuracy linear, rotary, tilt and submersible sensors, supplying international markets, which reported revenues of £1.5m for its year ended 31 August 2018, generating underlying EBITDA of £0.6m.
- The consideration for Positek comprises an initial cash consideration of £4.2m (the "Initial Positek Consideration") with further contingent cash consideration of up to £0.4m, payable subject to the achievement of certain integration and profit targets in the next 18 months.
- The Acquisitions represent a further step in the Group's stated strategy:
    - Expand the Group's international footprint, with over 80 per cent. of acquired revenues generated in North America, increasing overall D&M revenues from outside Europe by 2ppts to 29% on a pro forma first half-year basis;
    - Create further organic growth opportunities in target markets of renewable energy, transportation, medical and industrial connectivity;
    - Expand regional manufacturing with production in Mexico and create opportunities for efficiencies;
    - Create cross-selling and synergy opportunities with the wider Group; and
    - Enhance underlying operating margins for both the D&M division and the Group as a whole with Hobart and Positek generating underlying operating margins ahead of those in D&M.

- The Acquisitions and the Placing (as described below), taken together, are expected to have a neutral effect on underlying EPS in the current year. On a standalone and 100% equity funded basis, the Acquisitions would have been enhancing to underlying EPS.

Placing highlights

- Proposed placing of 7,309,867 new ordinary shares of 5 pence each in the Company (the "Placing Shares"), at a price of 400 pence per Placing Share, to raise gross proceeds of approximately £29m. The Placing Shares represent approximately 9.96 per cent. of the Company's existing issued share capital.
- The Placing Price represents a discount of 3.85 per cent. to the closing price of 416 pence per share on 15 April 2019.
- The Initial Hobart Consideration and Initial Positek Consideration, which together amount to £15.9m will be satisfied from discoverIE's existing debt facilities.
- The net proceeds of the Placing, which are expected to be approximately £28m, will be used to reduce the Group's net debt, to fund working capital and for general corporate purposes.
- Following the Acquisitions and the Placing, pro forma gearing, calculated as net debt to adjusted EBITDA (annualised for acquisitions), at 31 March 2019 would reduce to approximately 1.5x from 1.8x.
- The Placing is being conducted through an accelerated book building process (the "Bookbuild") which will commence immediately following this Announcement in accordance with the terms and conditions set out in the Appendix.
- The Placing is being conducted by Peel Hunt LLP ("Peel Hunt") and finnCap Ltd ("finnCap") and is being fully underwritten by Peel Hunt, subject to certain conditions.

Nick Jefferies, Group Chief Executive of discoverIE, said:

"The acquisitions of Hobart and Positek continue our strategy of building a higher margin, international Group that designs and manufactures customised electronics. Both companies have long-established track records of supplying high quality products into their respective markets. As part of the Group, both companies will gain access to our wider base of customers and with it, new sales opportunities, whilst discoverIE will gain access to efficiencies from manufacturing in Mexico and new cross-selling opportunities. We are delighted to welcome Hobart, Positek and all their employees into the Group."

Market Abuse Regulation

The information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR"). Upon the publication of this Announcement via a regulatory information service, this inside information is now considered to be in the public domain.

In addition, market soundings (as defined in MAR) were taken in respect of the Placing and the Acquisitions with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement being made by the Company today. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

The US dollar to sterling exchange rate used in relation to the consideration, fundraising amounts and the Acquisition is US$1.305:£1.

Conference call

discoverIE will hold a conference call for analysts and investors at 09:00 UK time on 16 April 2019.

Details for the call are as follows:

UK FreeCall Dial-in: +44 (0) 800 376 7922
Conference ID: 5095135

For further information please contact:

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This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the

"Important Notices" section below.

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. 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 Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix.

About discoverIE

discoverIE Group plc is an international group of businesses that designs, manufactures and supplies innovative components for electronic applications.

The Group provides application-specific components to original equipment manufacturers ("OEMs") internationally. With in-house engineering capability, the Group is able to design components to meet customer requirements, which are then manufactured and supplied, usually on a repeating basis, for their ongoing production needs. This generates a high level of repeating revenue and long term customer relationships.

By focusing on key markets which are driven by structural growth and increasing electronic content, namely renewable energy, transportation, medical and industrial connectivity, the Group aims to achieve organic growth that is well ahead of GDP and to supplement that with targeted complementary acquisitions.

The Group employs c.4,300 people and its principal operating units are located in Continental Europe, the UK, China, Sri Lanka, India and North America.

The Group is listed on the Main Market of the London Stock Exchange and is a member of the FTSE Small Cap Index, classified within the Electrical Components and Equipment subsector, and has revenues of over £400m. Over the last five years, revenue and underlying earnings per share has more than doubled.

Background to and reasons for the Acquisitions

discoverIE has a clear and established strategy that is building a high quality, international group that designs and manufactures customised electronics through organic growth, supplemented by acquisitions. The Board believes that the Acquisitions represent a further step in building the D&M division and have a clear fit with the Group's strategy:

- Successful performance track record with proven ongoing management;
- Complementary products that build on existing magnetics and sensing capabilities;
- High proportion of customised products;
- Organic growth opportunities in the Group's target growth markets;
- Complementary customer base with opportunities for cross-selling;
- Increased international reach, particularly into North America (80% of acquired revenues);
- Enhanced manufacturing footprint with facilities in Mexico for supply into the US; and
- Operational efficiencies through integration with larger Group businesses.

The Acquisitions and the Placing, taken together, are expected to have a neutral effect on underlying EPS in the current year. On a standalone and 100% equity funded basis, the Acquisitions would have been enhancing to underlying EPS.

Information on Hobart

Hobart, founded in 1969 and led since 1987 by president and sole shareholder, Mr Gary Kriadis, is headquartered in Hobart, Indiana, with four manufacturing facilities in the US and Mexico. It comprises a holding company, Coil-Tran Corporation and two subsidiaries, all of which will be acquired in the transaction.

The business designs, manufactures and supplies customised transformers, inductors and magnetic components for niche applications. Approximately 94% of revenues are generated from customers in North America. The business, which has grown both organically and by acquisition, will operate within the D&M division, as part of the Noratel business, while retaining its distinct brand identity. The markets served by Hobart include energy infrastructure and industrial, which collectively account for approximately 74% of sales.

Mr Kriadis and the management team will remain with the business following completion. The business employs approximately 260 people across the US and Mexico.

Revenues to 31 December 2018 have more than doubled following the acquisition of a competitor in 2015. Revenues for the year ended 31 December 2018 were $13.0m (£10.0m), generating a reported EBITDA of $2.1m (£1.6m), a pre-tax profit of $2.0m (£1.5m) and reported operating margin of 15%. At 31 December 2018, gross assets were $6.9m (£5.3m).

Information on Positek

Positek, which is 81% owned by its directors and employees, was founded in 1992 and is located in Cheltenham in the UK. The business designs, manufactures and supplies rugged, high accuracy custom linear, rotary, tilt and submersible sensors with 60% of sales into the Industrial sector. Positek sells worldwide direct to customers and through its long-term distribution partners, with products that are renowned for their quality, precision and robustness. Approximately 65% of revenues are generated from customers in the UK and Europe, 20% from customers in North America and the remaining 15% predominantly from customers in Asia Pacific. It will operate within the D&M division as part of the Variohm business while retaining its distinct brand identity.

Revenues for the year ended 31 August 2018 were £1.5m, generating an underlying EBITDA of £0.6m, a margin of 40% and a reported pre-tax profit of £0.4m. At 31 August 2018, gross assets were £1.3m.

Current trading

The Group announced a trading update today, which is set out below:

Trading in the fourth quarter continued strongly and the Group expects to deliver full year earnings in line with the Board's expectations.

Group sales for the fourth quarter[1] increased by 12% on a reported basis, 14% CER[2] and by 8% organically (excluding acquisitions)[3]. Group orders also grew by 8% organically in the period.

In the D&M division, sales and orders grew organically by 9%, and in Custom Supply, sales grew by 7% organically and orders by 5%.

For the year to 31 March 2019, Group sales increased by 13% on a reported basis, 14% CER and by 8% organically, with orders growing by 7% organically. Within this, D&M delivered organic sales growth of 10% and order growth of 11% and in Custom Supply, organic sales growth was 5% with order growth of 3%.

Cash generation in the fourth quarter has been good with net debt at the year end lower than expected, resulting in a Group gearing ratio[4] of 1.8x.

Details of the Placing

The Company intends to raise approximately £29m (before expenses of approximately £1m) pursuant to the Placing. The price per Placing Share is 400 pence.

The Placing will be conducted by Peel Hunt and finnCap (together, the "Banks") in accordance with the terms and conditions set out in the Appendix to this Announcement. The Bookbuild will determine demand for and participation in the Placing. The Bookbuild will commence with immediate effect following this Announcement and is expected to close later today.

The timing of the close of the Bookbuild is at the absolute discretion of Peel Hunt in consultation with the Company and Peel Hunt reserves the right to close the Bookbuild process earlier or later without further notice. The allocations will be determined by Peel Hunt in its absolute discretion following consultation with the Company and will be confirmed orally by Peel Hunt following the close of the bookbuilding process. A further announcement will then be made as soon as practicable following the completion of the Bookbuild.

The Placing is being fully underwritten by Peel Hunt subject to certain conditions.

The Placing is conditional, *inter alia*, upon:

- the Company having complied with its material obligations under the placing agreement which has been entered into between the Company, Peel Hunt and finnCap (the "Placing Agreement") and certain documentation relating to the cashbox placing (as discussed below) to the extent that such obligations are required to be performed on or prior to Admission;
- the delivery to the Company of certain customary documentation;
- the publication of the results of the Placing via a regulatory information service by no later than 16 April 2019 (or such later time and/or date as the Company and Peel Hunt (on behalf of the Banks) may agree); and
- Admission of the Placing Shares taking place by no later than 8.00 am on 18 April 2019 (or such later time and/or date as the Company and Peel Hunt may agree).

If any of the conditions are not satisfied or waived, the Placing Shares will not be issued and all monies received from participants in the Placing ("Placees") will be returned to them (at the Placees' risk and without interest) as soon as possible.

The Placing Agreement contains customary warranties given by the Company to the Banks as to matters relating to the Company and its business and a customary indemnity from the Company to the Banks in respect of liabilities arising out of or in connection with the Placing. The Placing Agreement also contains customary rights of termination which could enable Peel Hunt to terminate the Placing prior to Admission in certain limited circumstances. Further information on the Placing Agreement is set out in the Appendix to this Announcement.

The Placing Shares will represent approximately 9.96% of the existing issued share capital and will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the Company's existing ordinary shares including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue of the Placing Shares.

Application will be made for the Placing Shares to be admitted to the premium segment of the Official List of the UK Financial Conduct Authority ("FCA") and to trading on the main market for listed securities of the London Stock Exchange plc (together, the "Admission"). It is expected that Admission will become effective and that dealings in the Placing Shares will commence on or around 18 April 2019 (but may be extended by agreement between the Company and Peel Hunt (on behalf of the Banks)).

As part of the Placing, certain of the Directors are themselves intending to subscribe for Placing Shares at the Placing Price. If Directors do participate, we anticipate that these related party transactions would constitute exempt small transactions pursuant to paragraph 1 of Annex 1 to Chapter 11 of the Listing Rules.

The Placing is to be effected by way of a non-pre-emptive cashbox placing. A benefit of using a cashbox structure over a conventional structure is that some of the cash received by the Company can be accounted for as distributable reserves. The structure obviates the need to draw on existing shareholder authorities as regards the disapplication of pre-emption. However, the size of the placing would have fallen within the scope of those authorities had it been more conventionally structured. The Board has no intention to carry out any further non-pre-emptive issues in reliance on the existing shareholder authorities. However it will, in the ordinary course, seek shareholder approval for refreshing the standing authorities at the Company's forthcoming Annual General Meeting. Accordingly, the Board believes the principles of the investor protection bodies as regards pre-emption are being respected and that the proposed Placing is in the best interests of shareholders.

The terms and conditions of the Placing are set out in the Appendix to this Announcement.

Notes

1. Growth rates refer to the comparable prior year period unless stated.

2. Growth rates at constant exchange rates ("CER"). For the 3 month period to 31 March 2019, the average sterling rate of exchange strengthened 1% against the Euro compared with the same period last year, weakened 6% against the US Dollar and was up 3% on average against the three Nordic currencies. For the year to 31 March 2019, the average sterling rate of exchange against the Euro was in line with the same period last year, weakened 1% against the US Dollar and was up 3% on average against the three Nordic currencies.

3. Organic growth for the Group is calculated at constant exchange rates ("CER") excluding acquisitions in the last year (Santon was acquired last financial year on 1 February 2018 and Cursor Controls was acquired this financial year on 17 October 2018).

4. Group gearing is defined as net debt divided by underlying EBITDA (annualised for acquisitions).

IMPORTANT NOTICE

This Announcement, and the information contained herein is not for release, publication or distribution, directly or indirectly, in whole or in part, in or into or from any of the Restricted Jurisdictions. The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. No public offering of the Placing Shares is being made in the United States. The Placing Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in compliance with, Regulation S under the Securities Act. Persons receiving this Announcement (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or use the United States mails, directly or indirectly, in connection with the Placing. This Announcement does not constitute or form part of an offer to sell or issue or a solicitation of an offer to buy, subscribe for or otherwise acquire any securities in any jurisdiction including, without limitation, the Restricted Jurisdictions or any other jurisdiction in which such offer or solicitation would be unlawful. This Announcement and the information contained in it is not for publication or distribution, directly or indirectly, to persons in a Restricted Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

No action has been taken by the Company, the Banks or any of their respective directors, officers, partners, agents, employees, affiliates, advisors, consultants, persons connected with them as defined in FSMA (as defined below) (together, "**Affiliates**") that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any restrictions contained in this Announcement.

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Certain statements in this Announcement are forward-looking statements, which include all statements other than statements of historical fact and which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts. These forward-looking statements involve risks, assumptions and uncertainties that could cause the actual results of operations, financial condition, liquidity and dividend policy and the development of the industries in which the Company's businesses operate to differ materially from the impression created by the forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given those risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by the FCA, the London Stock Exchange or applicable law, the Company, the Banks and their respective Affiliates undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Any indication in this Announcement of the price at which discoverIE shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. 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.

Each of Peel Hunt and finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients for providing advice in relation to the Placing, or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by or on behalf of the Company, the Banks or by their respective Affiliates as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

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.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange's main market for listed securities.

The Appendix to this Announcement sets out the terms and conditions of the Placing. By participating in the Placing, each Placee will be deemed to have read and understood this Announcement in its entirety and to be making such offer to acquire Placing Shares on the terms and subject to the conditions set out in this Announcement and to be providing the representations, warranties, undertakings and acknowledgements contained in the Appendix.

Members of the public are not eligible to take part in the Placing and no public offering of Placing Shares is being or will be made.

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.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

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The Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. No public offering of the Placing Shares is being made in the United States. The Placing Shares are being offered and sold (i) outside the United States in "offshore transactions", as defined in, and in compliance with, Regulation S under the Securities Act and (ii) within the United States to persons reasonably believed to be qualified institutional buyers ("QIBs") as defined in, and in reliance on, Rule 144A under the Securities Act. Persons receiving this Announcement (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it or any part of it in or into the United States or use the United States mails, directly or indirectly, in connection with the Placing.

This Announcement does not constitute or form part of an offer to sell or issue or a solicitation of an offer or invitation to buy or subscribe for or otherwise acquire any securities in any jurisdiction including, without limitation, the Restricted Jurisdictions or any other jurisdiction in which such offer or solicitation is or may be unlawful. No copy or part of this Announcement and the information contained in it may be published or distributed, directly or indirectly, to persons in a Restricted Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or South Africa. Accordingly, the Placing Shares may not (unless an exemption under

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Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action. Persons into whose possession this Announcement comes are required by the Company and Peel Hunt to inform themselves about, and observe, any such restrictions.

Any indication in this Announcement of the price at which discoverIE shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. 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.

Each of Peel Hunt and finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Peel Hunt or finnCap (as applicable) or for providing advice in relation to the Placing, or any other matters referred to in this Announcement.

By participating in the Placing, each Placee is deemed to have read and understood this Announcement in its entirety and to be making such offer to acquire Placing Shares on the terms and subject to the conditions set out in this Announcement and to be providing the representations, warranties, undertakings, agreements and acknowledgements contained in this Appendix.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, REGULATORY, TAX, BUSINESS AND RELATED ASPECTS OF AN ACQUISITION OF PLACING SHARES.

Details of the Placing Agreement and the Placing Shares

The Company has today entered into the Placing Agreement with Peel Hunt and finnCap. Pursuant to the Placing Agreement, Peel Hunt and finnCap have, subject to the terms set out in such agreement, agreed to use reasonable endeavours, as agents of the Company, to procure Placees for the Placing Shares. Peel Hunt and finnCap will today commence the Bookbuild to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics for participation in, the Placing. The Placing is fully underwritten by Peel Hunt.

The Placing Shares will, when issued, be subject to the articles of association of the Company, be credited as fully paid and rank *pari passu* in all respects with each other and with the existing ordinary shares in the capital of the Company (the "**Ordinary Shares**"), including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will be issued free of any encumbrance, lien or other security interest.

Application for Admission

Application will be made to the FCA for admission of the Placing Shares to the premium segment of the Official List of the UK Listing Authority and to London Stock Exchange plc for admission to trading of the Placing Shares on its main market for listed securities ("**Admission**"). Admission is expected to become effective on or around 18 April 2019 (or such later time/date as Peel Hunt may agree with the Company) and dealings in the Placing Shares will commence on the same day.

Principal terms of the Placing

1 Peel Hunt is acting as sole bookrunner and broker and finnCap is acting as co-lead manager and each is acting as agent of the Company in connection with the Placing on the terms and subject to the conditions of the Placing Agreement. Peel Hunt and finnCap are acting severally and not jointly nor jointly and severally in these appointments in connection with the Placing.

2 Participation in the Bookbuild will only be available to persons who may lawfully be, and are, invited by the Banks to participate. Each of the Banks and any of their Affiliates are entitled to enter bids in the Bookbuild as principal.

3 The price per Placing Share (the "**Placing Price**") is a price of 400 pence and is payable to Peel Hunt (as agent for the Company) by all Placees. No commissions will be paid to Placees or by the Placees in respect of any Placing Shares.

4 The completion of the Bookbuild will be determined by Peel Hunt in its absolute discretion following consultation with the Company and the results of the Placing shall then be announced on a Regulatory Information Service as soon as is practicable following completion of the Bookbuild.

5 To bid in the Bookbuild, prospective Placees should communicate their bid by telephone to their usual sales contact at Peel Hunt or finnCap. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for. Bids may be scaled down by Peel Hunt on the basis referred to in paragraph 10 below.

6 The Bookbuild is expected to close later today but may be closed earlier or later at the absolute discretion of Peel Hunt in consultation with the Company. Peel Hunt may, in agreement with the Company, accept bids either in whole or in part that are received after the Bookbuild has closed.

7 Each prospective Placee's allocation will be determined by Peel Hunt in its absolute discretion following consultation with the Company and will be confirmed orally by Peel Hunt to such Placees, and a trade confirmation will be dispatched as soon as practicable thereafter and the terms and conditions of this Appendix will be deemed incorporated into the trade confirmation.

8 Peel Hunt's oral confirmation to any person of an allocation of Placing Shares will give rise to an irrevocable, legally binding commitment by that person , in favour of the Banks and the Company, under which it agrees to acquire the number of Placing Shares allocated to it on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with Peel Hunt's consent, such commitment will not be capable of variation or revocation after the time at which it is submitted. The Company will make a further Announcement following the close of the Bookbuild detailing the number of Placing Shares for which Placees have been procured.

9 Subject to paragraphs 4 and 5 above, Peel Hunt may choose to accept bids, either in whole or in part, on the basis of allocations determined at its discretion and may scale down any bids for this purpose on such basis as it may determine. Peel Hunt may

also, notwithstanding paragraphs 4 and 5 above, but subject to the prior consent of the Company, allocate the Placing Shares after the time of any initial allocation to any person submitting a bid after time.

10 The Company reserves the right (upon agreement with Peel Hunt) to reduce or seek to increase the amount to be raised pursuant to the Placing.

11 Each Placee's allocation and commitment to subscribe for Placing Shares 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 Peel Hunt's consent will not be capable of variation or revocation after the time at which it is submitted.

12 Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the Banks as agents for the Company, to pay Peel Hunt (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee. Each Placee's obligation will be owed to the Company and to the Banks.

13 Except as required by law or regulation, no press release or other announcement will be made by the Banks 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.

14 Irrespective of the time at which the Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time on the basis explained below under "Registration and Settlement".

15 All obligations under the Placing will be subject to fulfilment (or where applicable, waiver) of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Rights 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 and applicable FCA rules, neither the Banks nor any of their Affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person other than the Company whether acting on behalf of a Placee or otherwise. In particular neither of the Banks nor any of their Affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as the Banks and the Company may agree.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of the Banks under the Placing Agreement are conditional, *inter alia*, on the following "**Conditions**":

1 the Company having complied with its material obligations under the Placing Agreement and certain documentation relating to the cashbox placing to the extent that such obligations are required to be performed prior to Admission;

2 the delivery to the Company of certain customary documentation;

3 the publication of the results of the Placing via a regulation information service by no later than 16 April 2019 (or such later time and/or date as the Company and Peel Hunt (on behalf of the Banks) may agree); and

4 Admission having become effective at or before 8.00 am on 18 April 2019 (or such later time or date as the Company and Peel Hunt (on behalf of the Banks) may agree).

If (a) any of the conditions are not fulfilled (or to the extent permitted under the Placing Agreement waived by Peel Hunt) by the relevant time or date specified in the Placing Agreement (or such later time or date as the Company and Peel Hunt may agree), or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and each Placee's rights and obligations hereunder shall cease and terminate at such time and no claim may be made by a Placee in respect thereof. Neither the Company, nor the Banks nor any of their respective Affiliates shall have any liability to any Placees (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 in the Placing Agreement 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 the Company and/or Peel Hunt (on behalf of the Banks).

Peel Hunt (on behalf of the Banks) may waive compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

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

Rights to terminate under the Placing Agreement

Peel Hunt (on behalf of the Banks) may at any time before Admission, terminate the Banks obligations under the Placing Agreement by giving notice to the Company if, inter alia, Peel Hunt becomes aware that:

1 any statement of fact contained in this Announcement, or certain of the other documents delivered in relation to the Placing, has been discovered to be untrue, incorrect or misleading in any respect which Peel Hunt (on behalf of the Banks) considers, acting in good faith, to be materially adverse in the context of the Placing; or

2 there has been a breach of any of the warranties or any other obligation of the Company under the Placing Agreement which Peel Hunt (on behalf of the Banks) considers, acting in good faith, to be materially adverse in the context of the Placing; or

3 an event has occurred or a matter has arisen on or before the date of the Placing Agreement and before Admission which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the warranties untrue or incorrect, which Peel Hunt (on behalf of the Banks) considers, acting in good faith, to be materially adverse in the context of the Placing: or

4 there has been a breach of any provision of the agreement pursuant to which the Acquisitions will take place (the "Acquisition

Agreements") by any vendor party to it which Peel Hunt (on behalf of the Banks), acting in good faith, considers to be material in the context of the Placing or, in the opinion of Peel Hunt (on behalf of the Banks) acting in good faith, any event has occurred or matter has arisen after entry into the Acquisition Agreement which had it occurred or arisen prior to entry into the Acquisition Agreement would have been such a breach; or

5 any of the conditions in the Placing Agreement shall have become incapable of fulfilment before the latest time provided according to the terms of the Placing Agreement and has not been waived according to the terms of the Placing Agreement; or

6 there has been (a) a suspension or material limitation of (i) trading of any securities of the Company on the London Stock Exchange or on any exchange or over-the-counter market; (ii) trading generally on the London Stock Exchange, the New York Stock Exchange or the Nasdaq Stock Market, or any over-the-counter market; (iii) a fixing of minimum and maximum prices for trading, or the imposition of a requirement for maximum ranges for prices by any of the said exchanges or by such system or by order of any government authority; or (iii) a material disruption in commercial banking or securities settlement or clearance services in the United States or the United Kingdom; (b) a general moratorium on commercial banking activities in London declared by the relevant authorities; (c) any declaration, outbreak, escalation, or threatening of war or other hostilities or the occurrence of any acts of terrorism involving the UK or the USA or the declaration by either of a national emergency; (d) a material change in taxation materially adversely affecting the Group taken as a whole or its prospects or the Placing; (e) any other occurrence of any kind which (by itself or together with any other such occurrence) in the opinion of Peel Hunt (on behalf of the Banks) acting in good faith, is likely to materially and adversely affect the market's perception of the Company or the financial position or trading position or prospects of the Group taken as a whole; (f) any other crisis of international or national effect or any change in any financial, political, economic or market conditions or in market sentiment or any other calamity or crisis which, in any case, in the opinion of Peel Hunt (on behalf of the Banks) acting in good faith, is materially adverse to the Placing, and which in the case of (a)-(f), Peel Hunt (on behalf of the Banks) considers, acting in good faith, makes it impracticable or inadvisable to proceed with the Placing.

Upon termination, the parties to the Placing Agreement shall be released and discharged (except for any liability arising before or in relation to such termination) from their respective obligations under or pursuant to the Placing Agreement, subject to certain exceptions.

By participating in the Placing, each Placee agrees that the exercise by Peel Hunt of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Peel Hunt (acting in good faith where required) and that Peel Hunt will not need to make any reference to the Placees in this regard and that to the fullest extent permitted by law Peel Hunt and the Company (or the Company's directors, officers or employees) shall not have any liability whatsoever to the Placees in connection with any such exercise.

No prospectus

No offering document or prospectus has been or will be prepared, submitted or approved by the FCA in relation to the Placing and no such prospectus is required to be published and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information previously published by or on behalf of the Company by notification to a Regulatory Information Service and subject to the further terms set forth in the trade confirmation to be provided to individual prospective Placees.

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 to the Banks and the Company that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of the Banks (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below) or any of its Affiliates, any persons acting on its behalf or the Company and neither of the Banks nor any of their Affiliates, any persons acting on its behalf, nor the Company will be liable for the decision of any Placee to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons).

By participating in the Placing, each Placee acknowledges to and agrees with the Banks for themselves and as agent for the Company that, except in relation to the information obtained in this Announcement, it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing. 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:GB0000055888) following Admission will take place within the CREST system, subject to certain exceptions. Peel Hunt reserves the right to require settlement for and delivery of the Placing Shares to Placees by such other means that they deem necessary, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with Peel Hunt stating the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by such Placee to Peel Hunt 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 standing CREST or certificated settlement instructions that it has in place with Peel Hunt.

A Placee's entitlement to receive any Placing Shares under the Placing will be conditional on Peel Hunt's receipt of payment in full for such Placing Shares by the relevant time to be stated in the written confirmation referred to above, or by such later time and date as Peel Hunt and the Company may in their absolute discretion determine, or otherwise in accordance with that confirmation's terms.

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 the base rate of Barclays Bank Plc.

Each Placee is deemed to agree that if it does not comply with these obligations: (i) the Company may release itself (if it decides in its absolute discretion to do so) and will be released from all obligations it may have to issue any such Placing Shares to such Placee or at its direction which are then unissued; (ii) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any Placing Shares to the fullest extent permitted under its articles of association or otherwise by law and to the extent that such Placee then has any interest in or rights in respect of any Placing Shares; (iii) the Company or the Banks may sell (and both of them is irrevocably authorised by such Placee to do so) all or any Placing Shares on such Placee's behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, the Banks (a) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares, (b) any amount required to cover any stamp duty or stamp duty reserve tax (together with any interest or penalties) arising on the sale of such Placing Shares on such Placee's behalf, and (c) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale; and (iv) such Placee shall remain liable to the Company (and to the Banks as applicable) for the full amount of any losses or shortfall and of any costs which it may suffer or incur as a result of it (a) not receiving payment in full for such Placing Shares by the required time, and/or (b) the sale of any such Placing Shares to any other person at whatever price and on whatever terms actually obtained for such sale by or for it. By communicating a bid for Placing Shares, each Placee confers on the relevant Bank all such authorities and powers necessary to carry out any such sale under this paragraph

and agrees to ratify and confirm all actions which the relevant Bank lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the Placing Shares, neither the Banks nor the Company shall be responsible for the payment thereof. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and Warranties

By participating in the Placing, each Placee (and any person acting on such Placee's behalf):

1 represents and warrants that it has read and understood this Announcement in its entirety (including this Appendix) and acknowledges that its participation in the Placing will be governed by the terms and conditions of the Placing as referred to and included in this Announcement (including this Appendix);

2 acknowledges that no prospectus or offering document has been or will be prepared in connection with the Placing and that it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;

3 acknowledges that the ordinary shares in the capital of the Company are listed on the Official List of the FCA and are admitted to trading on the London Stock Exchange, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the London Stock Exchange and/or the FCA (collectively "**Exchange Information**"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information or comparable information concerning any other publicly traded company without undue difficulty;

4 represents and warrants that it has made its own assessment of the Company, the Placing Shares and the terms and conditions of the Placing and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and has satisfied itself that the information is still current;

5 agrees to indemnify on an after-tax basis and hold harmless each of the Company, the Banks, their Affiliates and any person acting on their behalf from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Announcement including this Appendix and further agrees that the provisions of this Announcement including this Appendix shall survive after completion of the Placing;

6 acknowledges that neither of the Banks nor any of their Affiliates nor any person acting on their behalf has provided, and will not provide it with, any material or information regarding the Placing Shares or the Company; nor has it requested that either Bank nor any of their Affiliates nor any person acting on their behalf to provide it with any such material or information;

7 acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither of the Banks nor any of their Affiliates nor any person acting on their behalf will be responsible for or shall have any liability for any information, representation or statement relating to the Company contained in this Announcement or any information previously published by or on behalf of the Company and neither of the Banks nor any of their Affiliates nor any person acting on their behalf will 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 in committing to subscribe for Placing Shares is the information 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 relied on its own investigation with respect to the Placing Shares and the Company in connection with its decision to subscribe for Placing Shares and acknowledges that it is not relying on any investigation that the Banks, any of their Affiliates or any person acting on their behalf may have conducted with respect to the Placing Shares or the Company and none of such persons has made any representations to it, express or implied, with respect thereto;

8 represents and warrants that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for Placing Shares. It further represents and warrants that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It also represents and warrants that it has had sufficient time to consider and has conducted its own investigation with respect to the offer and subscription for Placing Shares, including the tax, legal and other economic considerations, and has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;

9 represents and warrants that it has not relied on any confidential price sensitive information concerning the Company in making its investment decision to participate in the Placing and is not purchasing the Placing Shares on the basis of material non-public information;

10 represents and warrants that it has the funds available to pay for the Placing Shares it has agreed to subscribe for and acknowledges, agrees and undertakes that it will pay the total subscription amount in accordance with the terms of this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other placees or sold at such price as the Banks determine;

11 acknowledges that it has not relied on any information relating to the Company contained in any research reports prepared by the Banks, their Affiliates or any person acting on their, or any of their Affiliates behalf and understands that (i) neither of the Banks nor any of their Affiliates nor any person acting on their behalf has or shall have any liability for public information or any representation; (ii) neither of the Banks nor any of their Affiliates, nor any person acting on their behalf, has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of this Announcement or otherwise; and (iii) neither of the Banks nor any of their Affiliates, nor any person acting on its behalf, makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of this Announcement or otherwise;

12 represents and warrants that (i) it is entitled to acquire Placing Shares under the laws and regulations of all relevant jurisdictions which apply to it; (ii) it has fully observed such laws and regulations and obtained all such governmental and other guarantees and other consents and authorities (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 including this Appendix) which may be required thereunder and has complied with all necessary formalities; (iii) it has all necessary capacity and authority and is entitled

to commit to participation in the Placing and to perform its obligations in relation thereto and will honour such obligations, and to make the representations and agreements contained on this Appendix; (iv) it has paid any issue, transfer or other taxes due in connection with its participation in the Placing in any territory; (v) it has not taken any action which will or may result in the Company, or the Banks or any of their Affiliates or any person acting on their behalf in breach of the legal and/or regulatory requirements of any territory in connection with the Placing and (iv) if it is a pension fund or investment company it is aware of and acknowledges that it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;

13 represents and warrants that (i) 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 US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, (ii) it will not offer, sell or deliver, directly or indirectly, any Placing Shares in or into the United States other than pursuant to an effective registration under the Securities Act or in a transaction exempt from, or not subject to, the registration requirements thereunder and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;

14 represents and warrants that (i) it is outside of the United States, 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 acquire the Placing Shares is given and is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act;

15 represents and warrants that it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in any Restricted Jurisdiction, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of any Restricted Jurisdiction and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;

16 represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, 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 which has implemented the Prospectus Directive other than "qualified investors" as defined in Article 2.1(e) of the Prospectus Directive, or in circumstances in which the prior consent of Peel Hunt has been given to the offer or resale;

17 represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to the public in the United Kingdom or any member state of the European Economic Area 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 the United Kingdom within the meaning of section 85(1) of FSMA or an offer to the public in any other member state of the European Economic Area within the meaning of the Prospectus Directive (which includes any relevant implementing measure in any Member State of the European Economic Area);

18 represents and warrants that it has not been engaged to subscribe for the Placing Shares on behalf of any other person who is not a Qualified Investor unless the terms on which it is engaged enable it to make decisions concerning the acceptance of offers of transferable securities on the client's behalf without reference to the client as described in section 86(2) of FSMA;

19 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 it is permitted to do so pursuant to section 21 of FSMA and it acknowledges and agrees that this Announcement has not been approved by the Banks in their capacity as authorised persons under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;

20 represents and warrants that it is aware of and 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;

21 represents and warrants that it is aware of and has complied with its obligations in connection with money laundering and terrorist financing under the Criminal Justice Act 1993, section 118 of FSMA, and Regulation (EU) No. 596/2014 of MAR, the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Antiterrorism Crime and Security Act 2001, the Money Laundering Regulations (2007) and related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

22 if in the United Kingdom, represents and warrants that it is a person of a kind described in (i) Article 19(5) (Investment Professionals) and/or 49(2) (high net worth companies etc.) of the FPO, as amended, and/or an authorised person as defined in section 31 of FSMA; and (ii) section 86(7) of FSMA , being a person falling within Article 2.1(e) of the Prospectus Directive. For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

23 represents and warrants that its participation in the Placing would not give rise to an offer being required to be made by it or any person with whom it is acting in concert pursuant to Rule 9 of the City Code on Takeovers and Mergers;

24 undertakes that it (and any person acting on its behalf) will pay for the Placing Shares acquired by it in accordance with this Announcement on the due time and date set out in this Announcement or any trade confirmation issued pursuant to this Announcement against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as either the Banks or the Company may, in their absolute discretion, determine and it will remain liable for any shortfall of the net proceeds of such sale below the Placing proceeds of such Placing Shares and may be required to bear any costs, commissions, stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

25 acknowledges that if it has received any confidential price sensitive information (including inside information as defined under MAR) about the Company in advance of the Placing, it warrants that it has received such information within the market soundings regime provided for in Article 11 of MAR and has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;

26 acknowledges that neither of the Banks, nor any of their Affiliates nor any person acting on their behalf is making any recommendations to it or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing, and that neither of the Banks, nor any of their Affiliates nor any person acting on their behalf has any duties or

responsibilities to it for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of the Banks' rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;

27 acknowledges that it irrevocably appoints any member of the Banks as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;

28 represents and warrants that any person who confirms to the Banks on behalf of a Placee an agreement to subscribe for Placing Shares and/or who authorises the Banks to notify the Placee's name to the Company's registrar, has authority to do so on behalf of the Placee;

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

30 represents and warrants that it, or the person specified by it for registration as a holder of the Placing Shares, 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), if any, payable on acquisition of any of the Placing Shares or the agreement to subscribe for the Placing Shares and acknowledges and agrees that none of Peel Hunt, the Company, any of their respective Affiliates or any person acting on behalf of them 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 agrees to indemnify the Company and Banks on an after-tax basis in respect of the same, on the basis that the Placing Shares will be allotted to the CREST stock account of Peel Hunt who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

31 acknowledges that the Placing Shares will be issued subject to the terms and conditions set out in this Announcement (including this Appendix);

32 acknowledges that in order to ensure compliance with the Money Laundering Regulations 2007, the Banks (for themselves and as agents on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to the Banks or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the Banks' absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form, may be retained at the Banks' or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity, the Banks (for themselves and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, the Banks and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

33 acknowledges that when a Placee or any person acting on behalf of the Placee is dealing with a Bank, any money held in an account with that Bank 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 relevant 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 from that Banks' money in accordance with the client money rules and will be used by that Bank in the course of its business; and the Placee will rank only as a general creditor of that Bank;

34 acknowledges and understands that the Placing is not conditional on completion of the Acquisitions and that the Acquisitions are dependent upon certain conditions being satisfied and that accordingly neither the Company nor the Banks warrant or represent that the Acquisitions will complete;

35 acknowledges and understands that the Company, the Banks and others will rely upon the truth and accuracy of the foregoing agreements, acknowledgements, representations, warranties, agreements and undertakings which are given to the Banks, on their own behalf and on behalf of the Company, are irrevocable;

36 acknowledges that time is of the essence as regard its obligations in respect of its participation in the Placing under these terms and conditions;

37 acknowledges that the basis of allocation will be determined by Peel Hunt in its absolute discretion in consultation with the Company. The right is reserved to reject in whole or in part and/or scale back any participation in the Placing;

38 irrevocably authorises the Company and the Banks to produce this Announcement pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth in this Announcement;

39 acknowledges that its commitment to subscribe for Placing Shares on the terms set out in this Announcement including this Appendix 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;

40 acknowledges that each of the Banks may, and their Affiliates acting as an investor for its or their own account(s) may, subscribe for and/or purchase Placing Shares and, in that capacity may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, each Bank and/or any of their respective Affiliates acting as an investor for its or their own account(s). Each Placee further acknowledges that each of the Banks and their respective Affiliates may enter into financing arrangements and swaps with investors in connection with which each of the Banks and any of their Affiliates may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. Neither of the Banks nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so; and

41 acknowledges that its participation in the Placing, these terms and conditions and any contractual or non-contractual obligations arising out of, or in relation to thereto, shall be governed by and construed in accordance with English law and that the courts of

England shall have exclusive jurisdiction to hear and decide any proceedings which may arise out of or in connection with these terms and conditions, except that enforcement proceedings in respect of the Placee's obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Banks or the Company in any jurisdiction.

The acknowledgements, agreements, undertakings, representations and warranties referred to above are given to each of the Company and each Bank (for its own benefit and, where relevant, the benefit of their respective Affiliates) and any person acting on their behalf and are irrevocable.

No claim shall be made against the Company, the Banks or their respective Affiliates or any other person acting on their behalf of any of such persons by a Placee to recover any damage, cost, charge or expense which it may suffer or incur by reason of or arising from the carrying out by it of the work to be done by it pursuant to this Announcement or the performance of its obligations pursuant to this Announcement or otherwise in connection with the Placing.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued or transferred (as the case may be) into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to stamp duty and/or stamp duty reserve tax, for which neither the Company nor the Banks 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 stamp duty or stamp duty reserve tax undertakes to pay such stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Banks in the event that either of the Company and/or the Banks has incurred any such liability to stamp duty or stamp duty reserve tax.

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

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

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

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

The rights and remedies of the Banks and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to either of Peel Hunt or finnCap:

(a) if he is an individual, his nationality; or

(b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

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 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 Company's ordinary shares may decline and investors could lose all or part of their investment; the Company's ordinary shares offer no guaranteed income and no capital protection; and an investment in the Company's ordinary 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, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

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

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