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**Water Intelligence plc (AIM: WATR.L)**

**("Water Intelligence" or the "Company")**

**Proposed Fundraising to Accelerate Growth**

**Expanded Credit Facilities Completed to Accelerate Growth**

**PDMR Dealing**

Water Intelligence, a leading provider of non-invasive leak detection and remediation services for both potable and non-potable water, today announces that it proposes to raise approximately \$5.0 million (£3.8 million) in a placing and subscription through the issue of an aggregate of up to 808,000 new ordinary shares of one penny each in the capital of the Company ("Ordinary Shares") at a price of 475 pence per Ordinary Share (the "Issue Price"). The proceeds received by the Company will be used, in particular, to accelerate the Company's successful growth strategy, especially expanding American Leak Detection's insurance channel, accelerating organic growth of existing locations and further reacquisitions of franchises.

Coincident with this Fundraise, the Company has also expanded its credit facilities to further contribute to the growth of its business. As set forth below, Water Intelligence has agreed with People's United Bank ("Bank") to (i) revise its existing \$4.8 million term loan by resetting its amortization period for another five years and lowering its interest rate to approximately 3.62% ("Revised Term Loan"); (ii) making available a new \$6 million acquisition line of credit with the same economic terms as the Revised Term Loan in order to facilitate the additional reacquisitions of franchises ("ALOC") and (iii) a new \$2 million working capital line of credit.

The proposed fundraising (the "Fundraising") comprises a placing (the "Placing") of up to 688,055 new Ordinary Shares ("Placing Shares") to raise up to \$4.2 million (£3.3 million) and a subscription (the "Subscription") of up to 119,945 Ordinary Shares ("Subscription Shares") to raise a total of approximately \$0.7 million (£0.6 million). As part of the Fundraising, certain directors and persons closely associated with them, as well as certain employees, intend to: (i) exercise 342,500 options over Ordinary Shares and Partly Paid Shares ("Exercise Shares") (the Placing Shares, Subscription Shares and Exercise Shares, together the "New Ordinary Shares") and, instead of receiving these shares, have instructed the Company to sell them into the Fundraising at the Issue Price; and (ii) in addition to the Fundraising, sell 55,000 Ordinary Shares at the Issue Price ("Sale Shares") to meet demand from investors (the issue of the New Ordinary Shares and sale of the Sale Shares being the "Share Transaction"). In addition, the Company has agreed to buy-back 45,483 Ordinary Shares from existing shareholders at a weighted average price of 439 pence and such Ordinary Shares will be held in treasury.

Michael Reisman and Laura Hills, both being directors of the Company, intend to purchase newly issued Ordinary Shares through the Subscription.

### **Summary of the proposed Fundraising**

- Fundraising of up to approximately \$5.0 million at 475 pence per Ordinary Share;
- Placing of up to 688,055 Ordinary Shares at the Issue Price to raise \$4.2 million with UK and US institutional investors;
- Subscription of up to 119,945 Ordinary Shares to raise up to approximately \$0.7 million;
- Placing by way of accelerated bookbuild (“ABB”);
- Books are open with immediate effect;
- In addition, the sale of 55,000 Ordinary Shares and the exercise and sale of 325,000 Partly Paid Shares and options by Patrick DeSouza, Executive Chairman of the Company, and persons closely associated with him, and the exercise of options and sale of 17,500 Ordinary Shares by certain employees; and
- Purchase of newly issued Ordinary Shares by Michael Reisman and Laura Hills, both directors of the Company each at the Issue Price.

### **Reasons for the Fundraising**

The net proceeds of the Fundraising will be used to accelerate the Company's growth strategy. As announced in the Company's third quarter trading update announced on 14 October 2020, the Company grew revenues by 13% and stated that it is on track to beat market expectations for profits before tax for the full year, even during a period where the economy has been impacted by COVID-19. This represented a continuation of the Company's sustained growth path (2014-19 revenue CAGR of 35%, PBT CAGR of 33%).

The Company is executing this fundraising because it believes growth will continue due to strong global market demand for solutions to water loss and deteriorating infrastructure. Water Intelligence has continued to operate and provide water infrastructure services during Covid-19 as an “essential service provider”. Moreover, in July, Water Intelligence received the *Green Economy Mark* from the London Stock Exchange in recognition of its contributions with respect to a critical natural resource. The Company's growth strategy includes communicating its Green Economy brand to the ESG community of investors and stakeholders.

The proceeds will enable the Company to scale its business lines across more locations to meet increased market demand worldwide. More specifically, this funding will enable the Company to (i) expand its execution footprint across existing 140+ locations across sales geographies in the US, UK, Australia and Canada and selected new territories both in and outside of the United States; (ii) invest accretively in corporate reacquisitions of additional franchise-operated locations to accelerate growth in its American Leak Detection brand; (iii) provide follow-through sales of new products to customers; and (iv) build-out an expanded organizational infrastructure to sustain growth throughout Water Intelligence and its subsidiaries.

The Company has already made five franchise reacquisitions in 2020 (three in the US and two in Australia) that accretive to shareholders. The Directors believe that there will be opportunities to execute further franchise reacquisitions during 2020 and beyond. These reacquisitions of franchises are expected to contribute significant revenue and profits before tax in 2021 and beyond.

The Company's minimally-invasive water leak detection services is in high demand by insurance companies across the United States. The Fundraising will also be used to continue growing the Company's business-to-business insurance channel which maps nationwide demand from insurance companies to American Leak Detection's 140+ franchise and corporate locations. The Company announced its fourth national contract win on 19 August 2020. The channel achieved 41% sales growth during 2019 and significant sales growth in the first three quarters of 2020. The Company's insurance company partners are also interested in having the American Leak Detection franchise system sell and install "Insuretech" products that minimize water loss and damage.

As announced on 15 June 2020, the Company has also invested in accelerating the growth of the ALD system, both corporate-operated and franchisee-operated locations, by implementing a customer relationship management application with Salesforce.com. This implementation will enable ALD to automate its entire workflow from customer leads to service dispatch of technicians anywhere in the U.S. to customer reporting upon job completion to invoicing. Importantly for business-to-business customers, especially national insurance companies, Salesforce's cloud-based platform has a SOC II, Type II level environment certified for data security, which the Company believes will make it the only national leak detection business with such certification. The implementation will produce much greater efficiencies and the capability to execute on a faster rate of growth for more national accounts. The Company expects to invest further in systems and staff to enable it to continue its rapid growth.

Finally, the Company will also be accelerating the development of Water Intelligence International (WII), assisting it to scale up and train new staff to execute on a growing pipeline of municipal work internationally. WII currently operates in the UK, US and Australia. WII has recently initiated commercialization in the UK of a proprietary sewer diagnostic product for municipal uses. The product is branded as "Orca" and currently deployed at Thames Water and other water utilities. This division has also developed a proprietary sewer diagnostic product for residential and commercial pipes. That product has been branded as "Pulse." It is expected that Pulse will be deployed across the United States during 4Q and 1Q 2021 through WII's sister company American Leak Detection.

The Company has invested in R&D and has a strong development pipeline to sustain new offerings for its installed base of over 200,000 customers annually. Given the Company's 140+ locations, various product and services offerings and Salesforce execution platform, Water Intelligence is positioned to be a "One Stop Shop" or distribution platform for water infrastructure solutions.

#### **Details of the Placing and Subscription**

WH Ireland Limited ("WH Ireland" or "WHI") is acting as nominated adviser, joint broker and joint bookrunner in connection with the Placing. Dowgate Capital Limited ("Dowgate") is also acting as joint broker and joint bookrunner in connection with the Placing. WH Ireland and Dowgate are also the joint brokers ("Joint Brokers").

The Placing, by way of an ABB, will be launched immediately upon the release of this announcement and will be made available to eligible new and existing institutional investors. The book will close at the discretion of the Joint Brokers. The completion of the Fundraising will be announced as soon as practicable.

The Placing is subject to the terms and conditions set out in the appendix (the "Appendix") to this announcement (which forms part of this announcement, such announcement and the Appendix together being, this "Announcement"). The Placing is not underwritten.

By choosing to participate in the Placing and by making an oral and/or written legally binding offer to acquire Placing Shares, investors 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 contained herein and to be making the representations, warranties, undertakings and acknowledgements contained in the Appendix to this Announcement.

The Issue Price of 475 pence per New Ordinary Share represents the closing mid-market price of 475 pence per Ordinary Share on 15 October 2020, being the latest practicable date prior to the publication of this Announcement.

The New Ordinary Shares issued pursuant to the Placing will include 40,000 Ordinary Shares currently held in treasury. The 119,945 New Ordinary Shares issued pursuant to the Subscription will be satisfied by the issue of Ordinary Shares currently held in treasury.

The total number of New Ordinary Shares issued pursuant to the Placing and Subscription, when issued, will represent up to approximately 4.8 per cent. of the Company's existing issued share capital.

The New Ordinary Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Application will be made for the New Ordinary Shares to be admitted to trading on the AIM market ("AIM") of London Stock Exchange plc (the "London Stock Exchange"), ("Admission"). Admission is expected to occur on or around 8.00 a.m. on 26 October 2020.

Settlement for the New Ordinary Shares is expected to take place on 26 October 2020. The Capital Raising is conditional on, among other things, Admission becoming effective and the placing agreement between the Company and the Joint Brokers (the "Placing Agreement") being entered into and not being terminated in accordance with its terms.

The Appendix sets out further information relating to the Placing and the terms and conditions of the Placing.

### **Bank financing**

As noted above, in addition to the Fundraising, the Company has agreed to amend and expand its bank financing facilities ("Agreement"). The Agreement provides three facilities. First, a refinanced term loan of \$4.8 million with such refinancing resetting amortization on existing debt for five years and lowering its current interest rate from approximately 5.5% to 3.62%, Second a new acquisition line of credit totalling \$6 million ("ALOC"). The Company is able to draw on the ALOC in two draw periods until October 2022. Based on certain criteria, these draws are converted into five-year term loans amortised monthly. The term loans incur interest at an all-in interest rate of 3.62%; Third,, the Company has a working capital facility of \$2,000,000, which is currently undrawn and will facilitate the Company's organic growth, including expansion of its business to business channel and product sales. All financial covenant terms of the Agreement remain unchanged from previously.

With its new Acquisition Line of Credit and working capital facility, the Company has approximately \$8.0 million available under these credit facilities to pursue reacquisitions of American Leak Detection franchises and meet general working capital needs of its rapidly growing insurance channel and technology products.

As a requirement to issue the above loan terms, which support the Company's growth profile, People's United Bank requires Patrick DeSouza to provide a personal guarantee over all of his assets, including his Ordinary Shares in the Company to add to the Company's collateral. As consideration for offering a personal guarantee for the revised and expanded credit facilities of approximately \$12.8 million (\$4.8 million revised term loan; \$6 million acquisition line of credit and \$2 million working capital line of credit), which provide commercial advantages to the Company and enables the Group's growth strategy, Patrick DeSouza, will receive 300,000 Ordinary B Shares (the "Partly Paid Shares").

These Partly Paid Shares carry full voting rights and shall rank pari passu in all respects with the ordinary shares but like options shall carry no economic rights until they are fully paid at 475 pence per share, having been issued nil paid. The Partly Paid Shares may not be sold, transferred or otherwise disposed while they remain partly paid. The Partly Paid Shares will not be admitted to trading.

### **Director Dealings**

As indicated above, Patrick DeSouza and persons closely associated with him intend to sell 55,000 Ordinary Shares and exercise and sell (i) 300,000 Partly Paid Shares at a fully paid price of 85 pence and (ii) 25,000 options over Ordinary Shares at an exercise price of \$1.24. Following the issue of the Partly Paid Shares, Mr. DeSouza's interest in the voting rights of the Company will be 4,987,110 (split as to 2,787,110 Ordinary Shares and 2,200,000 B Shares), equivalent to 28.25% of the issued share capital of the Company, as at Admission.

Michael Reisman and Laura Hills, intend to convert their respective 2019 director fees into newly issued ordinary shares for 6,527 New Ordinary Shares each, pursuant to the Subscription. Following the Fundraising, Mr. Reisman is expected to hold 184,126 Ordinary Shares and Ms. Hills is expected to hold 120,757 Ordinary Shares, being respectively 1.04% and 0.68a% of the issued share capital of the Company, as at Admission.

### **Related Party Transaction**

As Patrick DeSouza is a director of the Company, the issue of the Partly Paid Shares to him is a related party transaction pursuant to the AIM Rules.

As Michael Reisman and Laura Hills are both directors of the Company, their proposed subscriptions for 6,527 New Ordinary Shares each constitute a related party transaction pursuant to the AIM Rules.

The independent Director, Bobby Knell considers, having consulted with the Company's nominated adviser, WH Ireland, that the terms of the issue of the Partly Paid Shares and the proposed subscriptions by Michael Reisman and Laura Hills are fair and reasonable insofar as the Company's shareholders are concerned.

### **Transaction in Own Shares**

The Company has also agreed to buy-back 45,483 Ordinary Shares (29,440 at 450 pence and 16,043 at 420 pence) from existing shareholders. Following this transaction, the Company will have 65,538 Ordinary Shares held in treasury.

**This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.**

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*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, the Market Abuse Regulation ("MAR"). Market soundings, as defined in MAR, were taken in respect of the Placing, with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.*

## **IMPORTANT NOTICES**

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 (TOGETHER, THIS "**ANNOUNCEMENT**") ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"); (3) PERSONS TO WHOM THE ANNOUNCEMENT MAY OTHERWISE BE LAWFULLY COMMUNICATED.

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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 WITH ANY SECURITIES

REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY (I) OUTSIDE OF THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS, AND (II) IN THE UNITED STATES TO A LIMITED NUMBER OF "**QUALIFIED INSTITUTIONAL BUYERS**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

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The distribution of this Announcement and/or the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, WH Ireland, Dowgate or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company, WH Ireland and Dowgate to inform themselves about and to observe any such restrictions.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia (the "**United States**" or the "**US**")), Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. 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; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares 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 the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

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.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

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, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. 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. 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 statement is based.

WH Ireland and Dowgate are authorised and regulated by the Financial Conduct Authority (the "**FCA**") in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing, and WH Ireland and Dowgate will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement. Each Placee should consult with its own advisers as to the legal, tax, business and other features and consequences of an investment in Placing Shares.

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 WH Ireland, Dowgate or by any of their respective affiliates or agents 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.

No statement in this Announcement is intended to be a profit forecast or estimate, 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 price of shares and any income expected or received from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is



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

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.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

## **APPENDIX - TERMS AND CONDITIONS OF THE PLACING**

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING.

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This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. 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; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom.

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 should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

By participating in the Placing, each Placee will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person 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; and
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:

- (a) it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive; and
  - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
    - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of WH Ireland and Dowgate has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
5. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 4 above) is either:
- (a) outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act; or
  - (b) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act (a "QIB").

### **No 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 any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the contract note to be sent to individual Placees.

Each Placee, by participating 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 information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of WH Ireland, Dowgate or the Company or any other person and none of WH Ireland, Dowgate, the Company nor any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. 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. No Placee should consider any

information in this Announcement to be legal, tax or business advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

### **Details of the Placing Agreement and the Placing Shares**

WH Ireland and Dowgate have today entered into a placing agreement (the "**Placing Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, WH Ireland and Dowgate as agents for and on behalf of the Company, have agreed to use their reasonable endeavours to procure Placees for the Placing Shares. The Placing is not being underwritten by WH Ireland, Dowgate or any other person.

The number of Placing Shares will be determined following completion of the Bookbuild (as defined below) as set out in this Announcement.

The Placing Shares will, when issued, be subject to the memorandum and articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of £0.01 each ("**Ordinary Shares**") in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

As part of the Placing, the Company has agreed that it will not for a period of 20 business days after Admission knowingly enter into any commitment or agreement (other than in the ordinary course of business) or put itself in a position where it is obliged to announce that any such commitment or agreement may be entered into which is material in the context of the business of the Company, or issue any shares (other than pursuant to the Placing or the Subscriptions) or options over shares or vary any rights attaching to the Ordinary Shares or the Placing Shares or the Subscription Shares or create any new class of shares or enter into any agreement or undertaking to do the same without the prior written consent of WH Ireland and Dowgate (which shall not be unreasonably withheld or delayed).

### **Bookbuild**

WH Ireland and Dowgate will today commence an accelerated bookbuilding process (the "**Bookbuild**") to determine demand for participation in the Placing by potential Placees at the Placing Price (as defined below).

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

WH Ireland, Dowgate 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.

### **Application for admission to trading**

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

It is expected that Admission will take place on or before 8.00 a.m. on 26 October 2020 and that dealings in the Placing Shares on AIM will commence at the same time.

### **Principal terms of the Placing**

1. WH Ireland and Dowgate are acting as sole bookrunners to the Placing, as agents for and on behalf of the Company.

2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by WH Ireland and/or Dowgate to participate. WH Ireland and Dowgate and any of their respective affiliates are entitled to participate in the Placing as principal.
3. The Bookbuild will establish the number of Placing Shares to be issued at the placing price, which price will be agreed between WH Ireland, Dowgate and the Company following completion of the Bookbuild (the "**Placing Price**"). The number of Placing Shares and the Placing Price will be announced following the close of the Bookbuild pursuant to paragraph 8 below.
4. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual contact at WH Ireland and/or Dowgate (as applicable). Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for or purchase at the Placing Price. Bids may be scaled down by WH Ireland and/or Dowgate (as applicable) on the basis referred to in paragraph 9 below.
5. The closing of the Bookbuild is intended to be at 2 p.m. on 16 October 2020. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion and WH Ireland and Dowgate reserve the right to extend the time for closing of the Bookbuild.
6. Each Placee's allocation will be confirmed to Placees orally, or by email, by WH Ireland and/or Dowgate (as applicable) following the close of the Bookbuild and a contract note or electronic trade confirmation will be dispatched as soon as practicable thereafter. The terms of this Appendix will be deemed incorporated in that contract note.
7. 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 WH Ireland and/or Dowgate's consent (as applicable) will not be capable of variation or revocation after the time at which WH Ireland and/or Dowgate (as applicable) makes its confirmation by way of contract note or electronic trade confirmation. It is expected that such trade confirmation will be despatched on the trade date, which is expected to be 16 October 2020. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to WH Ireland and/or Dowgate (as applicable as agent for the Company), to pay to it (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
8. The Company will make a further announcement following the close of the Bookbuild detailing the number of Placing Shares to be issued at the Placing Price.
9. Subject to paragraphs 4 and 5 above, WH Ireland and Dowgate may choose not to accept bids and/or to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as it may determine. WH Ireland and Dowgate may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of the Company, allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time.
10. 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 WH Ireland and/or Dowgate's consent (as applicable) will not be capable of variation or revocation from the time at which it is submitted.

11. Except as required by law or regulation, no press release or other announcement will be made by WH Ireland, Dowgate 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.
12. Irrespective of the time at which a 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*".
13. All obligations under the Placing will be subject to fulfilment 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 "*Termination of the Placing*".
14. By participating in the Placing, 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.
15. To the fullest extent permissible by law and applicable FCA rules, neither:
  - (a) WH Ireland;
  - (b) Dowgate;
  - (c) any of its affiliates, agents, directors, officers, consultants or employees; nor
  - (d) to the extent not contained within (a) or (b), any person connected with WH Ireland or Dowgate as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of WH Ireland or Dowgate);

shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither WH Ireland, Dowgate nor any of their respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of WH Ireland's and Dowgate's conduct of the Placing or of such alternative method of effecting the Placing as WH Ireland, Dowgate and the Company may agree.

## **Registration and settlement**

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a contract note or electronic trade confirmation which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to WH Ireland and/or Dowgate (as applicable). It is expected that such trade confirmation will be despatched on the trade date, which is expected to be 16 October 2020.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by WH Ireland and/or Dowgate (as applicable) in accordance with either the standing CREST or certificated settlement instructions which they have in place with WH Ireland and/or Dowgate (as applicable).

Settlement of transactions in the Placing Shares (ISIN: GB00BZ973D04) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST will be on a T+6 basis unless otherwise notified by WH Ireland and/or Dowgate and is expected to occur on 26 October 2020 (the "**Settlement Date**") in accordance with the contract notes. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company WH Ireland and Dowgate may agree that the Placing Shares should be issued in certificated form. WH Ireland and Dowgate reserve the right to require settlement for the Placing Shares, and to deliver the Placing

Shares to Placees, by such other means as it deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above the prevailing base rate of Barclays Bank plc as determined by WH Ireland and Dowgate.

Each Placee is deemed to agree that if it does not comply with these obligations, WH Ireland and/or Dowgate (as applicable) may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for WH Ireland's and Dowgate's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Placing Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of its Placing Shares on its behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional 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 United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **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 WH Ireland and Dowgate under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

- (a) the agreements relating to the Subscriptions becoming unconditional in all respects;
- (b) none of the representations, warranties and undertakings on the part of the Company contained in the Placing Agreement (as defined in the Placing Agreement) being untrue or inaccurate on the date on which the Placing Agreement is signed or Admission, by reference to the facts and circumstances then subsisting;
- (c) the Company complying with its obligations under the Placing Agreement to the extent that they fall to be performed on or before Admission;
- (d) the Company having allotted, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and
- (e) Admission having become effective at or before 8.00 a.m. on 26 October 2020 or such later time as WH Ireland and Dowgate may agree with the Company (being not later than 9 November 2020),

(all conditions to the obligations of WH Ireland and Dowgate included in the Placing Agreement being together, the "**conditions**").

If any of the conditions set out in the Placing Agreement is not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company, WH Ireland and Dowgate may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease

and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Placing, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "*Termination of the Placing*" below and will not be capable of rescission or termination by it.

WH Ireland and Dowgate may, in their absolute discretion and upon such terms as they think fit, waive fulfilment of all or any of the conditions in the Placing Agreement in whole or in part, or extend the time provided for fulfilment of one or more conditions, save that certain conditions including the condition relating to Admission referred to in paragraph (e) above may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

WH Ireland and Dowgate may terminate the Placing Agreement in certain circumstances, details of which are set out below.

Neither WH Ireland, Dowgate nor any of their respective affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them 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 any of them 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 WH Ireland and Dowgate.

### **Termination of the Placing**

WH Ireland and Dowgate may, in their absolute discretion, by notice to the Company, terminate the Placing Agreement at any time up to Admission if, *inter alia*:

- (a) there has been a material breach of the warranties given to it;
- (b) there has been a material adverse change;
- (c) any statement contained in this Announcement or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing is or has become or has been discovered to be untrue or inaccurate in any material respect or misleading in any material respect; or
- (d) in the opinion of WH Ireland and Dowgate, there has been a force majeure event.

If the Placing Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Placing, each Placee agrees with the Company, WH Ireland and Dowgate that:

- (a) the exercise by the Company, WH Ireland or Dowgate of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company, WH Ireland or Dowgate or for agreement between the Company, WH Ireland and Dowgate (as the case may be);
- (b) neither the Company, WH Ireland nor Dowgate need make any reference to such Placee;
- (c) none of the Company, WH Ireland, Dowgate nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise; and



- (d) the Placee has no rights against WH Ireland, Dowgate, the Company or any of their respective officers, directors or employees under the Placing Agreement pursuant to the Contract (Rights of Third Parties) Act 1999.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "*Conditions of the Placing*" section above and will not be capable of rescission or termination by it after the issue by WH Ireland and/or Dowgate (as applicable) of a contract note confirming each Placee's allocation and commitment in the Placing.

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

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) that (save where WH Ireland and/or Dowgate (as applicable) expressly agrees in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document:
  - (a) is required under the Prospectus Directive; and
  - (b) has been or will be prepared in connection with the Placing;
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, 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 without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. it has made its own assessment of the Placing Shares 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 neither WH Ireland, Dowgate nor the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested WH Ireland, Dowgate, the Company, any of their respective affiliates, agents, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;
5. neither WH Ireland, Dowgate nor any person acting on behalf of it nor any of its affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available 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;
- 6.

- (a) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information;
  - (b) neither WH Ireland, Dowgate, nor the Company (nor any of their respective affiliates, agents, directors, officers and employees) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information;
  - (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and
  - (d) it has not relied on any investigation that WH Ireland, Dowgate or any person acting on its behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
- 7. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither WH Ireland, Dowgate nor any persons acting on its behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
- 8. it is not, and at the time the Placing Shares are acquired will not be, a resident of Australia, Canada, the Republic of South Africa or Japan;
- 9. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, Japan or the Republic of South Africa or in any country or jurisdiction where any such action for that purpose is required;
- 10. it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees 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 WH Ireland and Dowgate determine;
- 11. it and/or each person on whose behalf it is participating:
  - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
  - (b) has fully observed such laws and regulations;
  - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and

- (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;
12. 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, or subject to the laws of, Australia, Canada, Japan or the Republic of South Africa, 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 Australia, Canada, Japan or the Republic of South Africa and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
- 13.
- (a) it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act; or
  - (b) it (and any account for which it is purchasing) is a QIB;
14. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
15. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
16. it understands that:
- (a) the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;
  - (b) no representation is made as to the availability of the exemption provided by Rule 144 for resales of Placing Shares; and
  - (c) it will not deposit the Placing Shares in a depositary receipt programme in the United States or for US persons (as defined in the Securities Act);
17. it will not offer, sell, transfer, pledge or otherwise dispose of any Placing Shares except:
- (a) in the United States, to a person it reasonably believes to be a QIB in a transaction meeting the requirements of Rule 144A;
  - (b) in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act; or
  - (c) pursuant to another exemption from registration under the Securities Act, if available, and in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

18. no representation has been made as to the availability of the exemption provided by Rule 144, Rule 144A or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
19. it understands that the Placing Shares are expected to be issued to it through CREST but may be issued to it in certificated, definitive form and acknowledges and agrees that the Placing Shares will, to the extent they are delivered in certificated form, bear a legend to the following effect unless agreed otherwise with the Company:

"THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.";
20. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing or the Placing Shares, in or into or from the United States (including electronic copies thereof) to any person, or to any other person whatsoever, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person, and will not, and has not, duplicated or otherwise copied this Announcement in any way for any further distribution or redistribution;
21. none of WH Ireland, Dowgate, their respective affiliates and any person acting on behalf of any of them is making any recommendations to it or 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 a client of WH Ireland or Dowgate and that WH Ireland and Dowgate have no duties or responsibilities to it for providing the protections afforded to its clients 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 its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
22. it will make payment to WH Ireland and/or Dowgate (as applicable) for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as WH Ireland and/or Dowgate (as applicable) determine in their absolute discretion without WH Ireland or Dowgate owing any liability to the Placee and the Placee will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any 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;

23. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
24. no action has been or will be taken by any of the Company, WH Ireland, Dowgate or any person acting on behalf of the Company, WH Ireland or Dowgate that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
25. the person who it specifies for registration as holder of the Placing Shares will be:
  - (a) the Placee; or
  - (b) a nominee of the Placee, as the case may be.

WH Ireland, Dowgate and the Company will not 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 acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company, WH Ireland and Dowgate in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of WH Ireland and/or Dowgate (as applicable) or transferred to a CREST stock account of WH Ireland and/or Dowgate (as applicable) who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

26. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
27. it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and 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;
28. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from 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 and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;
29. if it is within the EEA, it is a Qualified Investor as defined in section 86(7) of the FSMA, being a person falling within Article 2(1)(e) of the Prospectus Directive;
30. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by WH Ireland and Dowgate in their capacity as authorised persons under section 21 of the 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;

31. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);
32. it represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired 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 EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of WH Ireland and/or Dowgate (as applicable) has been given to the offer or resale;
33. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not:
  - (a) dealt in the securities of the Company;
  - (b) relied on any such information in accepting its invitation to participate in the Placing;
  - (c) encouraged or required another person to deal in the securities of the Company; or
  - (d) disclosed such information to any person, prior to the information being made publicly available;
34. neither WH Ireland, Dowgate, the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of WH Ireland, Dowgate or their respective affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of any of WH Ireland's and Dowgate's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
35. WH Ireland, Dowgate and their respective affiliates, acting as investors for their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for 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, WH Ireland, Dowgate and/or any of their respective affiliates acting as investors for their own account(s). Neither WH Ireland, Dowgate 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;
36. (a) it has complied with its obligations: (i) under the Criminal Justice Act 1993, Part VIII of FSMA, and MAR; and (ii) in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2017 and 2007 AND (b) it is not a person: (i) with whom transactions are prohibited under the United States 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 US Department of the Treasury; (ii) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (iii) 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 it has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such subscription or purchase;

37. in order to ensure compliance with the Regulations, WH Ireland, and Dowgate (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 or location or legal status or nationality. Pending the provision to WH Ireland, Dowgate or the Company's registrars, as applicable, of evidence of identity, location, legal status or nationality (as the case may be) definitive certificates in respect of the Placing Shares may be retained at WH Ireland's and Dowgate's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at WH Ireland's, Dowgate's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity, location, legal status or nationality in the form and manner requested, WH Ireland and Dowgate (for themselves and as agents on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either WH Ireland, Dowgate and/or the Company may, at their absolute discretion, terminate their 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;
38. acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the contract note will continue notwithstanding any amendment that may in future be made to the terms and conditions 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, WH Ireland's or Dowgate's conduct of the Placing;
39. it 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 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 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;
40. it irrevocably appoints any duly authorised officer of WH Ireland and/or Dowgate (as applicable) as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe for upon the terms of this Announcement;
41. the Company, WH Ireland, Dowgate and others (including each of their respective affiliates, agents, directors, officers and employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to WH Ireland and Dowgate on its own behalf and on behalf of the Company and are irrevocable;
42. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
43. time is of the essence as regards its obligations under this Appendix;
44. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to WH Ireland and/or Dowgate (as applicable);

45. the Placing Shares will be issued subject to the terms and conditions of this Appendix, and the obligation to subscribe is legally binding on the Placee on behalf of which it is made and except with WH Ireland's and Dowgate's consent will not be capable of variation or revocation after the time at which it is submitted; and
46. the terms and conditions contained in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire Placing Shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of such contract except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with interest chargeable thereon) may be taken by the Company, WH Ireland or Dowgate 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.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, WH Ireland, Dowgate and each of their respective affiliates, agents, directors, officers and employees (together "**Indemnified Persons**") 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 given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by WH Ireland, Dowgate, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given by the Placee (and any person acting on such Placee's behalf) to WH Ireland and Dowgate for themselves and on behalf of the Company and their respective Indemnified Persons and are irrevocable.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company, WH Ireland nor Dowgate shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify WH Ireland and/or Dowgate (as applicable) accordingly. 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 United Kingdom 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 and each Placee, or the Placee's nominee, in respect 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 non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company, WH Ireland and Dowgate in the event that either the Company, WH Ireland and/or Dowgate have incurred any such liability to such taxes or duties.



WH Ireland and Dowgate are authorised and regulated by the FCA in the United Kingdom and are acting exclusively for the Company and no one else in connection with the Placing, and WH Ireland and Dowgate will not be responsible to anyone (including any Placees and any person acting on any Placee's behalf) other than the Company for providing the protections afforded to their clients or for providing advice in relation to the Placing or any other matters referred to in this Announcement.

Each Placee and any person acting on behalf of the Placee acknowledges that WH Ireland and Dowgate do not owe any fiduciary or other duties to any Placee or to any other person (except the Company) in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that WH Ireland and Dowgate may (at their absolute discretion and without any obligation to do the same) satisfy their obligations to procure Placees by themselves agreeing to become Placees in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with WH Ireland and/or Dowgate, any money held in an account with WH Ireland and/or Dowgate (as applicable) 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 the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules: as a consequence this money will not be segregated from WH Ireland's and/or Dowgate's money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment. Placees will be notified of any changes.

No statement in this Announcement is intended to be a profit forecast or estimate, 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 price of shares and any income expected or received from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

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.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.