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THIS ANNOUNCEMENT SHOULD BE READ IN ITS ENTIRETY. IN PARTICULAR, YOU SHOULD READ AND UNDERSTAND THE INFORMATION PROVIDED IN THE APPENDIX WHICH CONTAINS THE TERMS AND CONDITIONS OF THE PLACING.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) 596 / 2014 WHICH FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF CERTAIN OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION, AS PERMITTED BY MAR. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

15 September 2023

**HAYDALE GRAPHENE INDUSTRIES PLC**

("Haydale" or the "Company" or the "Group")

**Capital Reorganisation,**

**Placing and Subscription to raise £5.0 million,**

**Retail Offer to raise up to £1.0 million, both at 0.5 pence per Ordinary Share**

**and**

**General Meeting**

Haydale (AIM:HAYD), the global advanced materials group, today announces its intention to conduct a Placing of 912,000,000 New Ordinary Shares at the Issue Price of 0.5 pence per New Ordinary Share to raise in aggregate £4.56 million.

The Placing will be conducted by way of an accelerated bookbuild ("ABB") which will be launched immediately following this announcement in accordance with the terms and conditions set out in the appendix to this Announcement.

The Company proposes to raise a further £0.44 million by way of the Subscriptions, comprising the issue of 88,000,000 New Ordinary Shares at the Issue Price. Certain Directors, namely David Banks, Keith Broadbent, Patrick Carter and Theresa Wallis, intend to participate in the Subscriptions, subscribing £40,000 in aggregate between them.

In addition the Company intends to carry out a separate retail offer of up to 200,000,000 New Ordinary Shares at the Issue Price via the Bookbuild Platform to raise further gross proceeds of up to £1.0 million to provide existing retail shareholders in the United Kingdom with an opportunity to participate in the Fundraising. A separate announcement will be made shortly regarding the Retail Offer and its terms. The Placing and Subscriptions are not conditional upon the Retail Offer. For the avoidance of doubt the Retail Offer forms no part of the Placing or Subscriptions.

The proceeds of the Fundraising will be used to fund the general working capital needs of the business.

**Placing Highlights:**

- Haydale intends to raise approximately £4.56 million before expenses through a Placing arranged by Cavendish of 912,000,000 New Ordinary Shares at the Issue Price with new and existing investors.
- The Placing is being conducted in two tranches; a placing of the EIS/VCT Placing Shares with those investors seeking to claim EIS relief in relation to their subscriptions and with VCTs and a placing of the General Placing Shares with those investors who are neither seeking EIS relief nor are VCTs. The Company intends to raise a further £0.44 million through the issue of 88,000,000 New Ordinary Shares via the Subscriptions.
- Certain of the Directors of Haydale, namely David Banks, Keith Broadbent, Patrick Carter and Theresa

Certain of the Directors of Haydale, namely Keith Broadbent, Patrick Carter and Marcus Wallis, have indicated their intention to participate in the Fundraising, specifically as part of the Subscriptions, for in aggregate 8,000,000 New Ordinary Shares.

- The funds raised from the Fundraising, which are expected to amount to between £5.0 million and £6.0 million, depending on the take up of the Retail Offer, will be used to fund general working capital needs of the Company.
- Shareholders will be asked to approve a capital reorganisation under which each Existing Ordinary Share will be subdivided into one ordinary shares of 0.1 pence each and one deferred shares of 1.9 pence each.
- The Fundraising is conditional (amongst other things) upon the passing of resolutions to approve the Capital Reorganisation and to authorise the issue of the New Ordinary Shares on a non-pre-emptive basis. A General Meeting is therefore being convened for the purpose of considering the Resolutions at 11:00 a.m. on 3 October 2023.
- EIS / VCT Admission is expected to take place on or around 4 October 2023
- General Admission is expected to take place on or around 5 October 2023.

#### For further information:

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Keith Broadbent, CEO

Patrick Carter, CFO

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Tel: +44 (0) 20 7220 0500

Julian Blunt / Edward Whitley / George Dollemore, Corporate Finance

Andrew Burdis / Harriet Ward, ECM

**Each of the times and dates above refer to London time and are subject to change by the Company. Any such change will be notified to Shareholders by an announcement on a Regulatory Information Service.**

Further information on the Fundraising and Admission is included in the section headed 'Additional Information' below. Attention is also drawn to the section headed 'Important Information' of this Announcement and the terms and conditions of the Placing (representing important information for Placees only) in the Appendix to this Announcement.

Capitalised terms used but not defined in this Announcement shall have the meanings given to such terms in the section headed 'Definitions' below save that any capitalised term defined in the Appendix shall have such meaning in the Appendix to the exclusion, in the Appendix only, of any definition of such term elsewhere in this Announcement.

## ADDITIONAL INFORMATION

### Reasons for the Fundraising and Use of Proceeds

During the course of FY23 the Company has focused on the five key markets capable of yielding commercial scale revenues in the shortest possible timeframe, namely functionalised nano-materials for third party applications, heating inks and fluids; sensor devices, composites and silicon carbide tooling. The Company has continued to build partnerships with strategic partners in each of these areas over the past 12 months and many of these are progressing well with a number of announcements made in recent months in this regard. As a result of the Company's investment in production capability during FY22, Haydale now has the capacity to manufacture functionalised graphene with its HT1400 reactor which is believed to be sufficient to achieve a break-even position at an Adjusted EBITDA level without significant further capital investment. Capacity is subject to continuing optimisation of the reactor, which has been an iterative process during the last year and remains so.

However, as previously reported routes to market have been slower than expected with a number of projects which were expected to start during FY23 slipping into the new financial year. The ongoing losses pending the anticipated growth in revenues towards breakeven together with the full year cost impact of investment in the production capacity and resources necessary to be able to meet customer requirements previously outlined, have continued to deplete cash reserves which stood at £1.38 million at 30 June 2023. Whilst monthly net cash burn is expected to reduce as sales improve, management is taking action to reduce this further with selective cost savings, whilst prioritising the needs of the core business and Group activities in the five key markets referred to above. Accordingly the Company is now seeking to raise further capital to fund the Group's ongoing requirements through FY24 which will see continued investment in working capital and the commercial delivery of the business partnerships to which the Company is committed. The Directors anticipate further revenue growth moving towards breakeven in H2 FY25, and that the Group will become Adjusted EBITDA positive in Q2 FY26.

**It is anticipated that the net proceeds of the Fundraising will be insufficient to fund the cash requirements of the Group through to a position where it is able to fund itself from its own cashflow and the Board continues to pursue the possibility of securing additional debt facilities to provide additional liquidity. In the event that such debt facilities were not available or are unavailable in sufficient quantum it is very likely that the Group would need to raise additional equity funding in the future and, whilst the Directors believe that future equity funding would be available, there can be no guarantee that sufficient funds**

convert to equity financing would be available, there can be no guarantee that additional funds could be raised at a later date. Any additional equity financing may be dilutive to Shareholders.

The Directors have concluded that proceeding with the Placing and Subscriptions, alongside the Retail Offer, is the most suitable option available to the Company for raising additional funds through the issue of Ordinary Shares and that issuing the Placing Shares and Subscription Shares at the level of discount represented by the Issue Price is fair and reasonable so far as all existing Shareholders are concerned. The Issue Price has been set by the Directors following their assessment of market conditions and following discussions with a number of institutional investors.

## Trading Update and Outlook

FY23 has been characterised by a run of continued progress with key commercial partners. The series of announcements made over the past six months has demonstrated that the Company is seeing real traction with major industry players in its target sectors, including processing raw nano-materials through functionalisation for third parties, progression of business partnerships to take Haydale's products to market in areas such as heating where the Company is working with Cadent Gas Ltd ("Cadent"), and the continuing development of other advanced functional inks that promise both cost effective and more environmentally friendly solutions. This commercial momentum has continued into the new financial year, as illustrated by the announcement of a collaboration agreement with Petronas on 22 August 2023, and is expected to continue during FY24, FY25, and through Q2 FY26 when the Directors expect the Group to become Adjusted EBITDA positive.

Whilst financial progress during FY23 was slower than expected, as previously reported, with the investment in functionalisation capacity and people over the last two years the Board remains confident that it has the foundations in place to take advantage of the commercial traction that is now starting to manifest in a range of addressable markets with the potential to offer significant global opportunities.

FY23 closed out in line with revised expectations at the revenue level with revenue of approximately £4.30\* million which represents a 48.3% increase on prior year revenues, gross profit of approximately £2.39\* million and a loss before interest, tax, depreciation and amortisation ("LBITDA") at £3.44\* million. Capital Expenditure in FY23 was £0.20\* million and year end cash stood at £1.38 million.

FY24 is expected to see revenues continue to build with further progress in our US Silicon Carbide sales, which rebounded strongly in FY23, and good growth in UK revenues as recent commercial wins begin to bear fruit. LBITDA for FY24 is expected to narrow compared to the prior year, reflecting building revenues offset by the annualised impact of inflationary cost pressures within the Group's operating units.

*\* Source: Haydale management information - subject to audit*

## The Placing

The Company is proposing to raise approximately £4.56 million (before expenses) pursuant to the Placing at the Issue Price. The Issue Price represents a discount of approximately 35.5 per cent. from the closing mid-market price of the Ordinary Shares on 14 September 2023. It is anticipated the Placing Shares will represent approximately 45.92 per cent. of the Enlarged Share Capital following Admission (assuming full take up of the Retail Offer and the Subscriptions).

The Placing will be conducted by the Company in accordance with the terms and conditions set out in the Appendix to this Announcement. The Placing is being conducted by way of an ABB which will commence immediately following this Announcement and is expected to close this evening, but may be closed at such earlier or later time as Cavendish may, after consultation with the Company, in its absolute discretion, determine. The ABB will determine final demand for and participation in the Placing. Allocations of Placing Shares will be determined by Cavendish in consultation with the Company and will be confirmed orally or by email by Cavendish following the close of the ABB. A further announcement will be made following the completion of the ABB (the "**Result of ABB Announcement**").

The Placing is conditional, amongst other things, on the passing of the Resolutions at the General Meeting, which is proposed to be held on or around 3 October 2023. It is expected that a circular incorporating notice of the General Meeting (the "**Circular**") will be posted to Shareholders on or around 16 September 2023 and will be made available to shareholders on the Company's website, <https://haydale.com>, in line with AIM Rule 26.

The New Ordinary Shares will be free of all liens, charges and encumbrances and will, when issued and fully paid, be identical to and rank pari passu in all respects with the Existing Ordinary Shares (the nominal value of which will be reduced from 2 pence to 0.1 pence following the Capital Reorganisation without any change in the number of Ordinary Shares in issue at that time), including the right to receive all future distributions, declared, paid or made in respect of the Ordinary Shares following the date of Admission.

## The Placing Agreement

The Company has entered into the Placing Agreement pursuant to which Cavendish has agreed, in accordance with its terms, to use reasonable endeavours to procure placees ("**Placees**") for the Placing Shares and to co-ordinate the offering of the Retail Shares, in each case at the Issue Price. Neither the Placing nor the Retail Offer is underwritten.

In accordance with the terms of the Placing Agreement, the Placing is conditional upon, amongst other things, Cavendish having received legally binding commitments from Placees to subscribe for the Placing Shares. The EIS/VCT Placing is conditional, amongst other things, on the passing of the Resolutions, the Placing Agreement not having been terminated and EIS/VCT Admission occurring on or before 8.00 a.m. on 4 October 2023 (or such later date as finnCap and the Company may agree being not later than 8.00 a.m. on 31 October 2023). The General Placing is conditional, amongst other things, on the passing of the Resolutions, the Placing Agreement not having been terminated, EIS/VCT Admission having occurred and General Admission occurring on or before 8.00 a.m. on 5 October 2023 (or such later date as finnCap and the Company may agree being not later than 8.00 a.m. on 31 October 2023).

The Placing Agreement contains certain warranties given by the Company in favour of Cavendish concerning, amongst other things, the accuracy of information given in this Announcement and the Circular and other matters relating to the Group and its business.

The Placing Agreement is terminable by Cavendish in certain circumstances up until the time of Admission, including, inter alia, in the event of a material breach of a warranty contained in the Placing Agreement the happening

including, inter alia, in the event of a material breach of a warranty contained in the Placing Agreement the happening of a force majeure event or the occurrence of a material adverse change occurs to the business of the Company or the Group. The Company has also agreed to indemnify Cavendish against all losses, costs, charges and expenses which Cavendish may suffer or incur, which are occasioned by or attributable to the carrying out of its duties under the Placing Agreement.

The Placing is not conditional on the Retail Offer proceeding or on any minimum take-up under the Retail Offer.

**The Appendix (which forms a part of this Announcement) contains the detailed terms and conditions of the Placing.**

### **The Subscriptions**

Each of the following Directors, namely David Banks, Keith Broadbent, Patrick Carter and Theresa Wallis, intend to enter into Subscription Agreements to participate in the Fundraising at the Issue Price for a total of £40,000. In addition, Anthony Best and Nicholas Money-Kyrle intend to participate in the Fundraising via the Subscriptions and subscribe for approximately £0.40 million in aggregate.

### **The Retail Offer**

In addition, the Company intends to use the Bookbuild Platform to conduct a Retail Offer on behalf of the Company. The terms and conditions of the Retail Offer will to be set out in a separate announcement which will contain details of how existing shareholders can participate in the Retail Offer via Bookbuild.

### **Proposed Capital Reorganisation of Ordinary Shares**

The Company is not permitted by law to issue Ordinary Shares at an issue price which is below their nominal value, currently 2 pence per Existing Ordinary Share. In order to enable the Company to issue shares at an issue price which exceeds their nominal value, the Company is proposing to complete a Capital Reorganisation of the Existing Ordinary Share capital of the Company. Each of the Existing Ordinary Shares will be subdivided into one new Ordinary Share of 0.1 pence each and one Deferred Share of 1.9 pence each.

**The Capital Reorganisation will not of itself affect the value of the shares held by Shareholders. After the Capital Reorganisation there will be the same number of Ordinary Shares in issue as there are Existing Ordinary Shares in issue (prior to completion of the Fundraising) and therefore current shareholdings will not be diluted by the Capital Reorganisation alone, unless the Fundraising (or any other further equity fundraising) is completed by the Company.**

The Existing Adjusted Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue, including those relating to voting and entitlement to dividends.

The Deferred Shares will have no significant rights attached to them and carry no right to vote or participate in distribution of surplus assets and will not be admitted to trading on the AIM market of the London Stock Exchange plc. Therefore, the Deferred Shares will effectively carry no value.

Assuming Shareholder approval of the Resolutions at the General Meeting, application will be made for the Existing Adjusted Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares and it is expected that Admission will become effective and that dealings in the Existing Adjusted Ordinary Shares will commence on 4 October 2023. No application for admission to trading on AIM will be made in respect of the Deferred Shares.

Assuming Shareholder approval of the Resolutions at the General Meeting, Shareholders who hold Existing Ordinary Shares in uncertificated form will have such shares disabled in their CREST accounts on the Capital Reorganisation Record Date and their CREST accounts will be credited with the Existing Adjusted Ordinary Shares following EIS/VCT Admission, which is expected to take place on 4 October 2023. The ISIN and SEDOL number of the Existing Adjusted Ordinary Shares will be the same as the Existing Ordinary Shares and any share certificates for the Existing Ordinary Shares will remain valid for the Existing Adjusted Ordinary Shares. No share certificates will be issued in respect of the Deferred Shares following the Capital Reorganisation.

Holders of options over Existing Ordinary Shares will maintain the same rights as currently accruing to them and will not be issued with new option certificates.

Resolution 2 in the Notice of General Meeting contained in the Circular to be posted to shareholders is proposed to amend the existing articles of association of the Company to set out the rights pertaining to the Deferred Shares relative to the Existing Adjusted Ordinary Shares. Resolution 2 is conditional upon the passing of Resolution 1. A copy of the amended articles of association will be available for inspection throughout the General Meeting.

### **Expected Timetable**

	2023
Announcement of the Placing (Launch)	15 September
Announcement of the Retail Offer	15 September
Launch of Retail Offer via Bookbuild platform	15 September
Close of Retail Offer via Bookbuild platform	12.00 noon, 22 September
Announcement of the results of the Placing and Subscriptions	15 September
Announcement of the results of the Retail Offer	22 September
Publication and posting of the Circular and Form of Proxy	16 September

Latest time and date for receipt of Forms of Proxy or electronic proxy appointments for use at the General Meeting	11.00 a.m. on 29 September
General Meeting	11.00 a.m. on 3 October
Announcement of results of the General Meeting	3 October
Capital Reorganisation Record Date	6.00 p.m. on 3 October
EIS/VCT Admission and commencement of dealings in the Existing Adjusted Ordinary Shares and EIS/VCT Placing Shares	8.00 a.m. on 4 October
CREST accounts to be credited for the EIS/VCT Placing Shares to be held in uncertificated form	4 October
General Admission and commencement of dealings in the General Placing Shares, Subscription Shares and Retail Shares	8.00 a.m. on 5 October
CREST accounts credited in respect of the General Placing Shares, Subscription Shares and Retail Shares	5 October
Dispatch of definitive share certificates for applicable New Ordinary Shares to be held in certificated form	week commencing 9 October

### Admission, settlement and CREST

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

Applications will be made to the London Stock Exchange for admission of the New Ordinary Shares to trading on AIM. It is expected that EIS/VCT Admission will take place on or before 8.00 a.m. on 4 October 2023 and that dealings in the Existing Adjusted Ordinary Shares and the EIS/VCT Placing Shares on AIM will commence at the same time. It is expected that General Admission will take place on or before 8.00 a.m. on 5 October 2023 and that dealings in the General Placing Shares, the Subscription Shares and the Retail Offer Shares on AIM will commence at the same time.

In accordance with the provisions of the Disclosure and Transparency Rules of the FCA, the Company confirms that, immediately following General Admission, its issued share capital will comprise 1,985,853,051 Ordinary Shares of 0.1 pence each (assuming full take up of the Placing, Subscriptions and Retail Offer). All Ordinary Shares shall have equal voting rights and, following the Fundraising, none of the Ordinary Shares will be held in treasury. The total number of voting rights in the Company immediately following Admission will therefore be 1,985,853,051 (assuming full take up of the Placing, Subscriptions and Retail Offer).

### IMPORTANT INFORMATION

This Announcement has been issued by, and is the sole responsibility, of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Cavendish 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 therefore is expressly disclaimed.

This Announcement is released by Haydale Graphene Industries Plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596 / 2014 which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**MAR**"). It is disclosed in accordance with the Group's obligations under Article 17 of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055 which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, this Announcement is being made on behalf of the Group by Cavendish. This Announcement does not constitute, or form part of, a prospectus relating to the Company, nor does it constitute or contain any invitation or offer to any person, or any public offer, to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as an inducement to enter into any contract or commitment with the Company. In particular, the New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933 as amended or qualified for sale under the laws of any state of the United States or under the applicable laws of any of Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, and, subject to certain exceptions, may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) or to any national, resident or citizen of Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa.

The distribution or transmission of this Announcement and the offering of the New Ordinary Shares in certain jurisdictions other than the UK may be restricted or prohibited by law or regulation. Persons distributing this Announcement must satisfy themselves that it is lawful to do so. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. No action has been taken by the Company that would permit an offering of such shares or possession or distribution of this Announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Announcement comes are required by the Company to inform themselves about, and to observe, such restrictions. In particular, this Announcement may not be distributed, directly or indirectly, in or into a Restricted Jurisdiction. Overseas Shareholders and any person (including, without limitation, nominees and trustees), who have a contractual or other legal obligation to forward this Announcement to a jurisdiction outside the UK should seek appropriate advice before taking any action.

This Announcement includes "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or outcomes of the Company to be materially different from future results, performance or

performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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.

Cavendish, which is authorised and regulated by the FCA in the United Kingdom, is acting as nominated adviser, lead broker and bookrunner to the Company in connection with the Placing. Cavendish will not be responsible to any person other than the Company for providing the protections afforded to clients of Cavendish or for providing advice to any other person in connection with the Placing or any acquisition of shares in the Company. Cavendish is not making any representation or warranty, express or implied, as to the contents of this Announcement. Cavendish has not authorised the contents of, or any part of, this Announcement, and no liability whatsoever is accepted by Cavendish for the accuracy of any information or opinions contained in this Announcement or for the omission of any material information.

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

The Appendix to this Announcement (which forms part of this Announcement) sets out the terms and conditions of the Placing. By participating in the Placing, each person who is invited to and who chooses to participate in the Placing by making or accepting an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer 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.

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.

## DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

<b>"ABB" or "ABB process"</b>	the accelerated bookbuilding process through which the Placing is to be conducted by Cavendish as described in this Announcement
<b>"Act"</b>	the Companies Act 2006, as amended
<b>"Admission"</b>	EIS/VCT Admission and / or General Admission (as the case may be).
<b>"AIM"</b>	the market of that name operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time
<b>"Adjusted EBITDA"</b>	profit before tax, interest, depreciation, amortisation, foreign exchange movements and share based payment charges
<b>"Announcement"</b>	this announcement, including the Appendix
<b>"Articles"</b>	the articles of association of the Company as amended pursuant to the passing of the Resolutions
<b>"Bookbuild" or "Bookbuild Platform"</b>	the online platform through which the Retail Offer is being conducted.
<b>"Capital Reorganisation"</b>	means the proposed subdivision of the Company's 785,853,051 Existing Ordinary Shares of 2 pence into 785,853,051 ordinary shares of 0.1 pence and 785,853,051 Deferred Shares of 1.9 pence in accordance with Resolution 1, contained in the Notice of General Meeting set out within the Circular
<b>"Capital Reorganisation Record Date"</b>	the record date for the Capital Reorganisation being 6.00 p.m. on 3 October 2023
<b>"Circular"</b>	the circular to be posted to Shareholders in connection with the Fundraising (and containing the notice of the General Meeting)
<b>"Company" or "Haydale"</b>	Haydale Graphene Industries Plc, a company incorporated in England and Wales (company number 07228939) whose registered office is at Clos Fferws, Parc Hendre, Capel Hendre, Ammanford, Carmarthenshire, SA18 3BL
<b>"CREST"</b>	the relevant system (as defined in the CREST Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear.
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3875), as amended

<b>"Deferred Shares"</b>	deferred shares of 1.9 pence each in the capital of the Company to be created pursuant to the Capital Reorganisation
<b>"Directors" or "Board"</b>	the directors of the Company or any duly authorised committee thereof
<b>"EIS/VCT Admission"</b>	admission of the EIS/VCT Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>"EIS/VCT Placing"</b>	the placing of the EIS/VCT Placing Shares
<b>"EIS/VCT Placing Shares"</b>	up to 583,875,332 New Ordinary Shares to be issued pursuant to the EIS/VCT Placing (the final number will be confirmed in the Result of ABB announcement)
<b>"Euroclear"</b>	Euroclear UK & International Limited, the operator of CREST
<b>"Enlarged Share Capital"</b>	together, the Existing Ordinary Shares and the New Ordinary Shares (expected to be 1,985,853,051 Ordinary Shares in aggregate, assuming full take up of the Fundraising, including the Retail Offer)
<b>"Enterprise Investment Scheme" or "EIS"</b>	the Enterprise Investment Scheme whose rules are contained in Part 5 of the Income Tax Act 2007 (income tax) and sections 150A to 150C of, and Schedule 5B to, the Taxation and Chargeable Gains Act 1992 (capital gains tax)
<b>"EU Prospectus Regulation"</b>	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market in the EU
<b>"Existing Ordinary Shares"</b>	the 785,853,051 ordinary shares of 2 pence each in issue as at the date of this document and prior to the Capital Reorganisation, all of which are admitted to trading on AIM
<b>"Existing Adjusted Ordinary Shares"</b>	means the Existing Ordinary Shares following the adjustment of their nominal value from 2 pence per share to 0.1 pence each pursuant to the Capital Reorganisation
<b>"FCA"</b>	the Financial Conduct Authority of the UK
<b>"Cavendish"</b>	Cavendish Capital Markets Limited, the Company's nominated adviser and broker
<b>"Form of Proxy"</b>	the form of proxy for use in connection with the General Meeting which accompanies the Circular
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended)
<b>"Fundraising" or "Fundraise"</b>	together, the Placing, the Subscriptions and the Retail Offer
<b>"General Admission"</b>	admission of the New Ordinary Shares, other than the EIS/VCT Placing Shares, to trading on AIM becoming effective in accordance with the AIM Rules
<b>"General Meeting"</b>	the general meeting of the Company to be held at 11:00 a.m. on 3 October 2023 or any adjournment thereof, notice of which will be set out at the end of the Circular
<b>"General Placing Shares"</b>	up to 328,124,668 New Ordinary Shares to be issued pursuant to the Placing (the final number will be confirmed in the Result of ABB announcement)
<b>"Group"</b>	together, the Company and its subsidiary undertakings
<b>"Intermediaries"</b>	any intermediary financial institution that is appointed by the Company in connection with the Retail Offer after the date of the Placing Agreement pursuant to an Intermediaries Agreement and "Intermediary" shall mean any one of them
<b>"ISIN"</b>	International Securities Identification Number
<b>"Issue Price"</b>	0.5 pence per New Ordinary Share
<b>"London Stock Exchange"</b>	London Stock Exchange plc
<b>"MAR"</b>	EU Regulation 596/2014, which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
<b>"Money Laundering Regulations"</b>	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Criminal Justice Act 2003 and the Proceeds of Crime Act 2002
<b>"New Shares" or "New"</b>	together, the Placing Shares, the Subscription Shares and the

<b>"New Shares or New Ordinary Shares"</b>	together, the Placing Shares the Subscription Shares and the Retail Offer Shares
<b>"Notice of General Meeting"</b>	the notice convening the General Meeting which will form part of the Circular
<b>"Ordinary Shares"</b>	prior to the Capital Reorganisation, ordinary shares of 2 pence each in the capital of the Company and, following the Capital Reorganisation, ordinary shares of 0.1 pence each in the capital of the Company, having the rights and being subject to the restrictions contained in the Articles
<b>"Overseas Shareholders"</b>	Shareholders with registered addresses, or who are citizens or residents of, or incorporated in, countries outside of the United Kingdom
<b>"Placees"</b>	persons who agree to subscribe for Placing Shares under the Placing
<b>"Placing"</b>	the conditional placing by Cavendish, as agent of and on behalf of the Company, of the Placing Shares at the Issue Price on the terms and subject to the conditions in the Placing Agreement
<b>"Placing Agreement"</b>	the conditional agreement dated 15 September 2023 between the Company and Cavendish, relating to the Placing and the Retail Offer
<b>"Placing Shares"</b>	the EIS/VCT Placing Shares and the General Placing Shares
<b>"Prospectus Regulation Rules"</b>	the prospectus regulation rules made by the FCA pursuant to section 73A of FSMA
<b>"Registrars"</b>	Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX
<b>"Regulatory Information Service"</b>	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list on the website of the London Stock Exchange
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting the text of which will be contained in the Notice of General Meeting which forms part of the Circular
<b>"Restricted Jurisdictions"</b>	the United States, Canada, Australia, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law
<b>"Result of ABB announcement"</b>	the announcement to be made once the ABB has closed confirming the result of the Placing
<b>"Retail Investors"</b>	those existing shareholders of the Company to whom the Retail Offer will be made available via one of more intermediaries
<b>"Retail Offer"</b>	the conditional offer of up to 200,000,000 New Ordinary Shares at the Issue Price through Intermediaries via the Bookbuild platform
<b>"Retail Shares"</b>	the up to 200,000,000 New Ordinary Shares to be issued pursuant to the Retail Offer subject to, inter alia, the passing of the Resolutions
<b>"Securities Act"</b>	the United States Securities Act of 1933, as amended
<b>"Shareholders"</b>	registered holders from time to time of Ordinary Shares
<b>"Subscribers"</b>	each of David Banks, Keith Broadbent, Patrick Carter, Theresa Wallis, Anthony Best and Nick Money-Kyrle, being persons who have indicated an intention to subscribe for the Subscription Shares pursuant to the Subscription Agreements
<b>"Subscriptions"</b>	the proposed conditional subscriptions by the Subscribers for the Subscription Shares at the Issue Price proposed to be made on the terms and subject to the conditions set out in the Subscription Agreements
<b>"Subscription Agreements"</b>	the conditional agreements proposed to be entered into between the Company and each of the Subscribers, relating to the Subscriptions
<b>"Subscription Shares"</b>	the 88,000,000 New Ordinary Shares which are proposed to be issued pursuant to the Subscriptions
<b>"UK Prospectus Regulation"</b>	Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018



<b>"uncertificated" or " in uncertificated form"</b>	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland
<b>"VCT" or "Venture Capital Trust"</b>	a company which is, or which is seeking to become, approved as a venture capital trust under the provisions of Part 6 of the ITA
<b>"£" or "Pounds"</b>	UK pounds sterling, being the lawful currency of the United Kingdom

## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

#### IMPORTANT INFORMATION FOR PLACEES ONLY

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") 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(e) OF THE PROSPECTUS REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**") ("**EU QUALIFIED INVESTORS**"); (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 AND (3) ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(e) OF REGULATION (EU) 2017/1129 AS AMENDED, AS IT FORMS PART OF UK LAW AS RETAINED EU LAW AS DEFINED IN, AND BY VIRTUE OF, THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED) (THE "**UK PROSPECTUS REGULATION**") ("**UK QUALIFIED INVESTORS**"); OR (4) PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED OR PROHIBITED BY LAW OR REGULATION. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO.

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, 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 (as defined below) is being made solely outside the United States to persons in offshore transactions (as defined in Regulation S under the Securities Act ("**Regulation S**")) meeting the requirements of Regulation S. 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 an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any Restricted Jurisdiction. This announcement and the information contained herein are 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, Cavendish or any Cavendish Affiliates or Haydale Affiliates (as defined below) 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 such restrictions.

required to inform themselves about and to observe any such restrictions.

All offers of the Placing Shares will be made pursuant to an exemption under the UK Prospectus Regulation and the EU Prospectus Regulation from the requirement to produce a prospectus. 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 Canada, Australia, Japan, New Zealand, the Republic of Ireland 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 Canada, Australia, Japan, New Zealand, the Republic of Ireland 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 or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action.

Any indication in this Announcement of the price at which the Existing Ordinary 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.

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.

Cavendish, which is authorised and regulated in the United Kingdom by the FCA, is acting for Haydale and for no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing or Admission and will not be responsible to anyone other than Haydale for providing the protections afforded to clients of Cavendish or for affording advice in relation to the Placing or Admission, or any other matters referred to herein.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "Placee") by making or accepting an oral and/or written legally binding offer to subscribe for Placing Shares is deemed to have read and understood this Announcement in its entirety (including this Appendix) and to be providing the representations, warranties, undertakings, agreements and acknowledgements contained herein.

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

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

The Company has today entered into the Placing Agreement with Cavendish. Pursuant to the Placing Agreement, Cavendish has, subject to the passing of the Resolutions and to the other terms and conditions set out therein, agreed to use reasonable endeavours, as agent of the Company, to procure subscribers for the Placing Shares pursuant to the ABB Process described in this Announcement and as set out in the Placing Agreement.

None of the Placing, the Subscriptions or the Retail Offer are being underwritten.

The Placing Shares will, when issued, be subject to the Articles, be credited as fully paid and rank *pari passu* in all respects with each other and with the Existing Adjusted Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares after the date of Admission.

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

#### **Application for admission to trading on AIM**

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to AIM. Subject to the satisfaction or waiver of the conditions of the Placing Agreement ("**Conditions**"), it is expected that (i) EIS/VCT Admission will take place on or before 8.00 a.m. on 4 October 2023 and that dealings in the Existing Adjusted Ordinary Shares and the EIS/VCT Placing Shares on AIM will commence at the same time and (ii) General Admission will take place on or before 8.00 a.m. on 5 October 2023 and that dealings in the General Placing Shares, the Subscription Shares and the Retail Offer Shares on AIM will commence at the same time.

#### **ABB Process**

Commencing today, Cavendish will be conducting the ABB Process to determine demand for participation in the Placing by Placees. This Announcement gives details of the terms and conditions of, and the mechanics of participation in, the Placing. However, Cavendish will be entitled to effect the Placing by such alternative method to the ABB Process as it may, after consultation with the Company, determine. No commissions will be paid by or to Placees in respect of any participation in the Placing or subscription for Placing Shares.

#### **Participation in, and principal terms of, the ABB Process**

Participation in the Placing is by invitation only and will only be available to persons who may lawfully be, and are, invited to participate by Cavendish. Cavendish and Cavendish Affiliates are entitled to participate as Placees in the ABB Process.

The ABB Process will establish the number of Placing Shares to be issued pursuant to the Placing.

The book will open with immediate effect. The ABB Process is expected to close not later than this evening, but may be closed at such earlier or later time as Cavendish may, in its absolute discretion (after consultation with the Company), determine. The Result of ABB Announcement will be released following the close of the ABB Process.

A bid in the ABB Process will be made on the terms and conditions set out in this Announcement and, subject thereto, will be legally binding on the Placee on behalf of which it is made and, except with Cavendish's consent, will not be capable of variation or revocation after the time at which it is submitted.

A Placee who wishes to participate in the ABB Process should communicate its bid by telephone to its usual sales contact at Cavendish. Each bid should either state the number of Placing Shares which the prospective Placee wishes to subscribe for or a fixed monetary amount at, in either case, the Issue Price. If successful, Cavendish will re-contact and confirm orally to Placees following the close of the ABB Process the size of their respective allocations and a trade confirmation will be despatched as soon as possible thereafter. Cavendish's oral confirmation of the size of allocations and each Placee's oral commitments to accept the same will constitute an irrevocable legally binding agreement in favour of the Company and Cavendish pursuant to which each such Placee will be required to accept the number of Placing Shares allocated to it at the Issue Price on the terms and subject to the conditions set out herein and in accordance with the Articles. Each Placee will be deemed to have read and understood the Announcement in its entirety. Each Placee's allocation and commitment will be evidenced by a trade confirmation issued to such Placee by Cavendish. The terms of this Appendix will be deemed incorporated in that trade confirmation.

Cavendish reserves the right to scale back the number of Placing Shares to be subscribed by any Placee in the event that the Placing is oversubscribed. Cavendish also reserves the right not to accept offers to subscribe for Placing Shares or to accept such offers in part rather than in whole. The acceptance and, if applicable, scaling back of offers shall be at the absolute discretion of Cavendish.

Each Placee's obligations will be owed to the Company and to Cavendish. Following the oral confirmation referred to above, each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Company and Cavendish, as agent of the Company, to pay to Cavendish (or as Cavendish may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares allocated to such Placee.

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 "*Right to terminate under the Placing Agreement*". 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.

To the fullest extent permissible by law, none of Cavendish, any holding company of Cavendish, any subsidiary of

to the fullest extent permissible by law, none of Cavendish, any holding company of Cavendish, any subsidiary of Cavendish, any subsidiary of any such holding company, any branch, affiliate or associated undertaking of any such company nor any of their respective directors, officers and employees (each an "**Cavendish Affiliate**") nor any person acting on their behalf shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of Cavendish, any Cavendish Affiliate nor any person acting on their behalf shall have any liability (including, to the extent legally permissible, any fiduciary duties), in respect of its conduct of the ABB Process or of such alternative method of effecting the Placing as Cavendish may determine.

### Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**Product Governance Requirements**"), which form part of UK law by virtue of the European Union (Withdrawal) Act 2018 and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the securities referred to in this Announcement will be subject to a product approval process, which is expected to determine that the securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors and recipients of this Announcement should note that: the price of the securities may decline and investors could lose all or part of their investment; the securities offer no guaranteed income and no capital protection; and an investment in the securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

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

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the securities and for determining appropriate distribution channels.

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

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

All obligations of Cavendish under the Placing will be subject to fulfilment of the conditions referred to in this Announcement including without limitation those referred to below under "*Conditions of 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 Cavendish under the Placing Agreement in respect of the EIS/VCT Placing are conditional, amongst other things, on:

1. the warranties on the part of the Company contained in the Placing Agreement being true and accurate and not misleading on and as of the date of the Placing Agreement and at all times during the period up to and including Admission;
2. the Resolutions being validly passed at the General Meeting without amendment and remaining in full force

2. the Resolutions being validly passed at the General Meeting without amendment and remaining in full force and effect and the Capital Reorganisation becoming effective;
3. the performance by the Company of its obligations under the Placing Agreement to the extent that they fall to be performed prior to EIS/VCT Admission;
4. the obligations of Cavendish not having been terminated (as described below under "*Right to terminate under the Placing Agreement*");
5. the Company allotting, subject only to EIS/VCT Admission, the EIS/VCT Placing Shares in accordance with the Placing Agreement; and
6. EIS/VCT Admission occurring not later than 8.00 a.m. on or around 4 October 2023 or such later time and/or date as Cavendish may agree in writing with the Company (but in any event not later than 8.00 a.m. on 31 October 2023).

The obligations of Cavendish under the Placing Agreement in respect of the General Placing are conditional, amongst other things, on:

1. the warranties on the part of the Company contained in the Placing Agreement being true and accurate and not misleading on and as of the date of the Placing Agreement and at all times during the period up to and including Admission;
2. the Resolutions being validly passed at the General Meeting without amendment and remaining in full force and effect and the Capital Reorganisation becoming effective;
3. the performance by the Company of its obligations under the Placing Agreement to the extent that they fall to be performed prior to EIS/VCT Admission;
4. the obligations of Cavendish not having been terminated (as described below under "*Right to terminate under the Placing Agreement*");
5. the Company allotting, subject only to General Admission, the General Placing Shares in accordance with the Placing Agreement; and
6. EIS/VCT Admission occurring not later than 8.00 a.m. on or around 4 October 2023 or such later time and/or date as Cavendish may agree in writing with the Company (but in any event not later than 8.00 a.m. on 31 October 2023); and
7. General Admission occurring not later than 8.00 a.m. on or around 5 October 2023 or such later time and/or date as Cavendish may agree in writing with the Company (but in any event not later than 8.00 a.m. on 31 October 2023).

If (a) the Conditions of the Placing are not fulfilled (or to the extent permitted under the Placing Agreement waived by Cavendish), 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 determine at such time and no claim may be made by a Placee in respect thereof. None of Cavendish, the Company, any Cavendish Affiliate, nor any holding company of the Company, any subsidiary of the Company, any subsidiary of any such holding company, any branch, affiliate or associated undertaking of any such company nor any of their respective directors, officers and employees (each a "**Haydale Affiliate**") 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 it 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.

By participating in the Placing, each Placee agrees that Cavendish's rights and obligations in respect of the Placing terminate, *inter alia*, in the circumstances described below under "**Right to terminate under the Placing Agreement**".

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

Cavendish may, at any time before Admission and in its absolute discretion, terminate the Placing Agreement with immediate effect if, amongst other things:

1. any statement contained in any investor presentation, circular or any announcement relating to the Placing is untrue, incorrect or misleading in any respect which Cavendish consider material in the context of the Placing or Admission;

2. any of the warranties, was, when given, or becomes, untrue, inaccurate or misleading in a respect which Cavendish considers to be material in the context of the Placing;
3. the Company has failed to comply materially with any of its obligations under the Placing Agreement, the Companies Act, FSMA or the AIM Rules;
4. any of the Conditions of the Placing have become incapable of fulfilment;
5. there has occurred (in the sole judgement of Cavendish) any material adverse change affecting the financial or trading position or prospects of the Company and its subsidiaries; or
6. there has occurred any change in national or international financial, economic, political, military or market conditions, including fluctuations in exchange rates, acts of terrorism, the outbreak of hostilities, any epidemic, pandemic or other health emergency, or the suspension of trading in securities generally on the London Stock Exchange or the New York Stock Exchange, the declaration of a banking moratorium in London or by the US Federal or New York State authorities or material disruption to any commercial banking or securities settlement services in the US or the UK which, in any such case is likely to have a materially prejudicial effect on the Placing.

By participating in the Placing, each Placee agrees with Cavendish that the exercise by Cavendish of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Cavendish and that Cavendish need not make any reference to the Placees in this regard and that, to the fullest extent permitted by law, neither the Company, Cavendish, any Cavendish Affiliate nor any Haydale Affiliate shall have any liability whatsoever to the Placees in connection with any such exercise or failure to so exercise.

#### **Post Placing Covenants**

The Company will not during the period commencing on the date of General Admission and expiring two months from Admission, without the prior consent of Cavendish (not to be unreasonably withheld or delayed), amongst other things:

1. issue, allot, offer, pledge, sell, contract to sell, grant any option over or engage in certain other activities relating to its securities, other than the grant of options under, or the allotment and issue of shares pursuant to, options or share awards under, any existing employee share schemes of the Company in accordance with its normal practice; or
2. enter into any agreement, commitment or arrangement which is or may be material in the context of the business or affairs of the Group or the Placing.

Additionally, the Company shall use all reasonable endeavours to ensure that it does not do anything which will prejudice the eligibility of the EIS/VCT Placing Shares for relief under the Enterprise Investment Scheme.

#### **No Prospectus**

No offering document, admission document or prospectus has been or will be prepared in relation to the Placing and no such prospectus is required (in accordance with the EU Prospectus Regulation or the UK Prospectus Regulation) to be published or submitted to be approved by the FCA and Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix). 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.

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 Cavendish and the Company that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of Cavendish (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), any Cavendish Affiliate, any persons acting on its or their behalf or the Company or any Haydale Affiliate and none of Cavendish, any Cavendish Affiliate, any persons acting on their behalf, the Company, any Haydale Affiliate nor any persons acting on their behalf 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 Cavendish for itself and as agent for the Company that, except in relation to the information contained in this Announcement, it has relied on its own investigation of the business, financial or other position of the Company in

deciding whether to participate in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation. No Placee should consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own attorney, tax adviser and business adviser for legal, tax and business advice regarding an investment in the Placing Shares.

### **Registration and settlement**

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, using the DVP mechanism, subject to certain exceptions. Cavendish reserves the right to require settlement for and delivery of the Placing Shares to Placees by such other means as Cavendish may deem necessary, including, without limitation, 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.

The expected timetable for settlement will be as follows:

EIS/VCT Placing Shares Trade Date	2 October 2023
EIS/VCT Placing Shares Settlement Date	4 October 2023
General Placing Shares, Retail Shares and Subscription Shares Trade Date	3 October 2023
General Placing Shares, Retail Shares and Subscription Shares Settlement Date	5 October 2023
ISIN Code	GB00BKWQ1135
SEDOL	BKWQ113
CREST ID for Cavendish	601

Following the close of the ABB Process, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it, the Issue Price, the aggregate amount owed by such Placee to Cavendish and settlement instructions. Placees should settle against the Cavendish CREST ID shown above. It is expected that such trade confirmation will be despatched on the expected trade date shown above. 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 which it has in place with Cavendish.

It is expected that settlement will take place on the Settlement Date shown above on a DVP basis in accordance with the instructions set out in the trade confirmation unless otherwise notified by Cavendish.

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, Cavendish may sell any or all of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for Cavendish's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, 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 any levy, 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 Cavendish 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, warranties and terms**

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 and the issue of the Placing Shares will be governed by the terms of this Announcement (including this Appendix);
2. acknowledges that no prospectus, admission document or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus, admission or other offering document in connection with the ABB Process, the Placing or the Placing Shares;
3. agrees to indemnify on an after-tax basis and hold harmless each of the Company, Cavendish, Cavendish Affiliates and Haydale Affiliates and any person acting on their behalf from any and all costs, losses, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Announcement and further agrees that the provisions of this Announcement shall survive after completion of the Placing;
4. acknowledges that the Placing Shares will be admitted to AIM and the Company is therefore required to publish and has published certain business and financial information in accordance with the AIM Rules and UK version of the Market Abuse Regulation (EU 596/2014) which forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**MAR**") and other applicable laws and regulations (the "**Exchange Information**"), which includes certain business and financial and the Company's announcements and circulars published in the past 12 months, and that the Placee is able to obtain or access this Exchange Information without undue difficulty and is aware of the contents of the Exchange Information;
5. acknowledges that none of Cavendish, any Cavendish Affiliate or 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 any of Cavendish, nor any Cavendish Affiliate nor any person acting on their behalf to provide it with any such material or information;
6. acknowledges that (i) none of Cavendish or any Cavendish Affiliate or any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Cavendish and that Cavendish does not have any duties or responsibilities to it (or any person acting on behalf of a Placee) 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, agreements 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, and (ii) neither it nor, as the case may be, its clients expect Cavendish to have any duties or responsibilities to it similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook contained in the FCA's Handbook of Rules and Guidance, and that Cavendish is not acting for it or its clients, and that Cavendish will not be responsible to any person other than the Company for providing protections afforded to its clients;
7. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that none of Cavendish, nor any Cavendish Affiliate nor any person acting on its or 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 including (without limitation) any Exchange Information, and none of Cavendish, nor any Cavendish Affiliate 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 the Placing Shares is contained in this Announcement, 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 the Placing Shares and acknowledges that it is not relying on any other information whatsoever and in particular it is not relying on any investigation that Cavendish, any Cavendish Affiliate 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. acknowledges 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 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 had sufficient time to consider and conduct its own investigation in connection with its subscription for the Placing Shares, including all tax, legal and other economic considerations and has relied upon its own examination of, and due diligence on, the Company, and the terms of the Placing, including the merits and risks involved and it is aware that an investment in the Placing Shares involves a considerable amount of risk;

9. unless paragraph 10 applies, represents and warrants that it has neither received nor relied on any inside information for the purposes of MAR and section 56 of the Criminal Justice Act 1993 (the "**CJA**") in relation to the Company or its participation in the Placing and is not purchasing Placing Shares on the basis of inside information;
10. acknowledges and agrees that, if it has received any inside information (for the purpose of MAR and section 56 of the CJA) in relation to the Company and its securities in advance of the Placing, it has consented to receive inside information for the purposes of MAR and the CJA and it acknowledges that it was an insider or a person who has received a market sounding for the purpose of such legislation and it confirms that it has not: (a) dealt (or attempted to deal) in the securities of the Company (or cancelled or amended an order in relation thereto); (b) encouraged, recommended or induced another person to deal in the securities of the Company (or to cancel or amend an order in relation thereto); (c) unlawfully disclosed inside information to any person, in each case, prior to the information being made publicly available;
11. acknowledges that it is not entitled to rely on any information (including, without limitation, any information contained in any management presentation given in relation to the Placing) other than that contained in this Announcement (including this Appendix) and any Exchange Information (save that in the case of Exchange Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph) and represents and warrants that it has not relied on any representations relating to the Placing, the Placing Shares or the Company other than the information contained in this Announcement or in any Exchange Information;
12. acknowledges that it has not relied on any information relating to the Company contained in any research reports prepared by Cavendish or any Cavendish Affiliate or any person acting on its or their behalf and understands that (i) none of Cavendish, nor any Cavendish Affiliate nor any person acting on their behalf has or shall have any liability for any public information relating to the Company or otherwise or any representation; (ii) none of Cavendish, nor any Cavendish Affiliate, 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 publication, the date of this Announcement or otherwise; and that (iii) none of Cavendish, nor any Cavendish Affiliate, nor any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;
13. represents and warrants that (i) it is entitled to acquire the Placing Shares for which it is subscribing 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 which may be required or necessary in connection with its subscription for Placing Shares and its participation in the Placing and has complied with all other necessary formalities in connection therewith; (iii) it has all necessary capacity and authority to commit to participation in the Placing and to perform its obligations in relation thereto and will honour such obligations; (iv) it has paid any issue, transfer or other taxes due in connection with its subscription for Placing Shares and its participation in the Placing in any territory; and (v) it has not taken any action which will or may result in the Company, Cavendish or any Cavendish Affiliate or Haydale Affiliate or any person acting on their behalf being in breach of the legal and/or regulatory requirements of any territory in connection with the Placing;
14. represents and warrants that it understands that 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 are not being offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
15. represents and warrants that its acquisition of the Placing Shares has been or will be made in an "offshore transaction" as defined in and pursuant to Regulation S;
16. represents and warrants that it will not offer or sell, directly or indirectly, any of the Placing Shares in the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction

not subject to, the registration requirements of the Securities Act;

17. represents and warrants that if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation: (a) any 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 the United Kingdom or to which the UK Prospectus Regulation otherwise applies other than UK Qualified Investors or in circumstances in which the prior consent of Cavendish has been given to the offer or resale; or (b) where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than UK Qualified Investors, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons;
18. represents and warrants that, if it is a financial intermediary, as that term is used in Article 5(1) of the EU Prospectus Regulation: (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 member state of the EEA or to which the EU Prospectus Regulation otherwise applies other than EU Qualified Investors or in circumstances in which the prior consent Cavendish has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than EU Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
19. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to the public in any member state of the EEA or the United Kingdom except in circumstances falling within Article 1(4) of the EU Prospectus Regulation which do not result in any requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation;
20. 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;
21. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
22. represents and warrants that it has complied with (i) its obligations under the CJA and MAR; and (ii) the laws of all relevant jurisdictions which apply to it and that it has complied, and will fully comply, with all such laws (including where applicable, the Criminal Justice Act 1988, the Terrorism Act 2000, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2006, the Counter-Terrorism Act 2008 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) and that it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations ((i), (ii), (a) and (b), together, the "Regulations") and rules and guidance on anti-money laundering produced by the Financial Conduct Authority ("**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; and it is permitted to subscribe for Placing Shares in accordance with the laws of all relevant jurisdictions which apply to it and it has complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006, the Counter-Terrorism Act 2008, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017);
23. if in the United Kingdom, represents and warrants that: (a) it is a person having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the FPO, or (b) it is a person who falls within Article 49(2) (a) to (d) (High Net Worth Companies, Unincorporated Associations etc.) of the FPO and (c) it is a qualified investor as defined in Article 2(e) of the UK Prospectus Regulation and (d) it is person to whom this Announcement may otherwise lawfully be communicated;
24. 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

be made by it or any person with whom it is acting in concert pursuant to Rule 3 of the City Code on Takeovers and Mergers;

25. undertakes that it (and any person acting on its behalf) will pay for the Placing Shares acquired by it in accordance with this Announcement and with any trade confirmation sent by Cavendish (or on its behalf) to it in respect of its allocation of Placing Shares and its participation in the Placing on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as Cavendish may, in its absolute discretion, determine and it 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;
26. acknowledges that none of Cavendish, nor any Cavendish Affiliate 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 acknowledges that none of Cavendish, nor any Cavendish Affiliate nor any person acting on its or 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 Cavendish's rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;
27. undertakes that (i) the person whom it specifies for registration as holder of the Placing Shares will be (a) the Placee or (b) the Placee's nominee, as the case may be, (ii) neither Cavendish nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement and (iii) the Placee and any person acting on its behalf agrees to acquire the Placing Shares on the basis that the Placing Shares will be allotted to the CREST stock account of Cavendish which will hold them as settlement agent as nominee for the Placee until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee's stock account on a delivery versus payment basis;
28. acknowledges that any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of any such contract;
29. irrevocably appoints any director of Cavendish 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;
30. represents and warrants that it is not a resident of any Restricted Jurisdiction and acknowledges that the Placing Shares have not been and will not be registered nor will a prospectus be issued in respect of the Placing Shares under the securities legislation of any Restricted Jurisdiction and, subject to certain exceptions, the Placing Shares may not be offered, sold, taken up, renounced, delivered or transferred, directly or indirectly, within any Restricted Jurisdiction;
31. represents and warrants that any person who confirms to Cavendish on behalf of a Placee an agreement to subscribe for Placing Shares and/or who authorises Cavendish to notify the Placee's name to the Company's registrar, has authority to do so on behalf of the Placee;
32. acknowledges that the agreement to settle each Placee's acquisition of Placing Shares (and/or the acquisition 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 Cavendish will be responsible. If this is the case, the Placee should take its own advice and notify Cavendish accordingly;
33. acknowledges that when a Placee or any person acting on behalf of the Placee is dealing with Cavendish, any money held in an account with Cavendish 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. 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 in accordance with the client money rules and will be used by Cavendish in the course of its business and the Placee will rank only as a general creditor of Cavendish;

34. acknowledges and agrees that in order to ensure compliance with the Criminal Justice Act 1988, the Terrorism Act 2000, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) the Terrorism Act 2006, the Counter-Terrorism Act 2008 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, and, to the extent applicable, any related or similar rules, regulations of any body having jurisdiction in respect thereof and the Money Laundering Sourcebook of the FCA, Cavendish (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Cavendish or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Cavendish's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at Cavendish'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 Cavendish (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, Cavendish 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;
35. acknowledges and understands that the Company, Cavendish, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, undertakings and acknowledgements;
36. acknowledges that the basis of allocation will be determined by Cavendish at its absolute discretion and that the right is reserved to reject in whole or in part and/or scale back any participation in the Placing;
37. irrevocably authorises the Company and Cavendish to produce this Announcement pursuant to, in connection with, or as maybe required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
38. acknowledges and agrees that its commitment to subscribe for Placing Shares on the terms set out herein 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;
39. acknowledges and agrees that time is of the essence as regards its obligations under this Appendix;
40. acknowledges and agrees that 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 Cavendish;
41. acknowledges and agrees that it will be bound by the terms of the Articles; and
42. acknowledges and agrees that the terms and conditions 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 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 any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Cavendish 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.

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

No claim shall be made against the Company, Cavendish, any Cavendish Affiliate, any Haydale Affiliate, or any other person acting on behalf of any of such persons by a Placee to recover any damage, cost, loss, charge or expense which it may suffer or incur by reason of or arising from or in connection with the performance of its obligations hereunder or otherwise howsoever in connection with the Placing or Admission.

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 Cavendish 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 Cavendish in the event that any of the Company or any Haydale Affiliate or Cavendish or any Cavendish Affiliate 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. Cavendish 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 Cavendish does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

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

The rights and remedies of Cavendish 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 Cavendish and, if so, undertakes to provide:

1. if he is an individual, his nationality;
2. if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned; and
3. such other "know your client" information as Cavendish may reasonably request.

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.

The price of shares and any income expected 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.

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