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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW IN THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF THE PLACING WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION (AS DEFINED IN MAR), AS PERMITTED BY MAR. THIS INSIDE INFORMATION IS SET OUT IN THIS ANNOUNCEMENT. THEREFORE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION RELATING TO THE COMPANY AND ITS SECURITIES.

THIS ANNOUNCEMENT SHOULD BE READ IN ITS ENTIRETY. IN PARTICULAR, YOU SHOULD READ AND UNDERSTAND THE INFORMATION PROVIDED IN THE APPENDICES INCLUDING APPENDIX 3 WHICH CONTAINS THE TERMS AND CONDITIONS OF THE PLACING. THE DEFINITIONS USED IN THIS ANNOUNCEMENT ARE SET OUT IN APPENDIX 4 OF THIS ANNOUNCEMENT.

19 July 2024

Arecor Therapeutics plc

("Arecor", "Arecor Therapeutics" or the "Company")

#### Proposed Placing and Subscription to raise approximately £6m

Arecor Therapeutics (AIM: AREC), the biopharmaceutical group advancing today's therapies to enable healthier lives today announces its intention to raise approximately £6 million through a placing ("Placing") and a subscription ("Subscription") of new ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") at an issue price of 90 pence per new Ordinary Share (the "Issue Price") to new and existing institutional and other investors. Net proceeds from the Placing and Subscription will be employed towards revenue growth across the business, working capital and balance sheet strength with a view toward delivering shareholder value.

In addition, certain Directors intend to participate in the Placing and Subscription ("Director Participation"). It is intended that the Director Participation will comprise approximately £95,000 in aggregate through the issue of 105,553 new Ordinary Shares at the Issue Price. Further details will be announced as appropriate in due course.

The Placing Shares and Subscription Shares, when issued, will represent approximately 21.8 per cent. of the existing issued ordinary share capital of the Company (the "Existing Ordinary Shares"). The Issue Price represents a discount of approximately 2.7 per cent. to the closing mid-market price of 92.5 pence per Existing Ordinary Share on 18 July 2024, being the latest practicable date prior to the publication of this announcement ("Announcement").

#### RETAIL OFFER

In addition, the Company also intends to offer up to 1,111,111 new Ordinary Shares at the Issue Price (the "Retail Shares") through the Winterflood Retail Access platform ("WRAP") to raise up to a further £1 million of gross proceeds (the "Retail Offer", and together with the Placing and Subscription, the "Fundraising"), to provide qualifying retail investors in the United Kingdom who did not take part in the Placing or the Subscription with an opportunity to subscribe for new Ordinary Shares. A further announcement will be made by the Company in due course regarding the Retail Offer and its terms. It is expected that the Retail Offer will launch at today, 19 July 2024, shortly after this Announcement and will be

open for applications up to 4.30 p.m. on 22 July 2024, or such later time and date as the Company, Panmure Liberum and Winterflood may agree. The result of the Retail Offer is expected to be announced by the Company on or around 23 July 2024. For the avoidance of doubt, the Retail Offer is in addition to the Placing and Subscription. The Retail Offer may not be fully subscribed.

## HIGHLIGHTS

- Placing to raise gross proceeds of approximately £5 million through the issue of approximately of 5,511,109 new Ordinary Shares at the Issue Price.
- Subscription to raise gross proceeds of approximately £1,040,000 through the issue of an aggregate of 1,155,554 new Ordinary Shares at the Issue Price.
- The net proceeds of the Placing and the Subscription will be used to drive revenue growth across the business and deliver significant value inflexions.
- Retail Offer of new Ordinary Shares to qualifying UK retail investors to raise up to a further £1 million at the Issue Price. The net proceeds of the Retail Offer will be used towards general working capital and balance sheet strength.
- Subject to achieving forecast revenues and cash in-flows, the Directors believe the Placing and Subscription will provide the Company with a cash runway for two years from Admission.
- The Fundraising is conditional upon, among other things, the resolutions (the "**Resolutions**") required to implement the Fundraising being duly passed by Shareholders at the general meeting proposed to be held on 8 August 2024 (the "**General Meeting**") and Admission.
- A circular, containing further details of the Fundraising and the notice of general meeting (including the Resolutions) (the "**Circular**"), together with the proxy form, will be posted to Shareholders in due course and will be made available on the Company's website at <https://arecor.com/>.

In connection with the Placing, Panmure Liberum Limited ('**Panmure Liberum**') is acting as nominated adviser, joint bookrunner and joint broker, WG Partners LLP ('**WG Partners**') is acting as joint bookrunner and joint broker and Beech Hill Securities, Inc. ('**Beech Hill Securities**') is acting as placement agent. The Placing Shares are being offered by way of an accelerated bookbuild (the "**Bookbuild**"), which will be launched immediately following this Announcement, in accordance with the terms and conditions set out in Appendix 3 of this Announcement. The Placing is not being underwritten in any respect.

The timing of the closing of the Bookbuild and the allocation of Placing Shares to be issued at the Issue Price is to be determined at the discretion of the Company, Panmure Liberum and WG Partners.

A further announcement will be made following the close of the Bookbuild confirming final details of the Placing.

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares and such number of Retail Shares as are subscribed for, to be admitted to trading on AIM. It is anticipated that, subject to, amongst other things, the approval of the Resolutions at the General Meeting, Admission of the new Ordinary Shares to trading on AIM is expected to commence at 8:00 a.m. on 9 August 2024. The new Ordinary Shares, when issued, will be fully paid and will rank pari passu in all respects with the Existing Ordinary Shares.

Capitalised terms used in this Announcement (including the appendices) have the meanings given to them in Appendix 4 to this Announcement, unless the context provides otherwise.

## For more information, please contact:

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#### **About Arecor**

Arecor Therapeutics plc is a globally focused biopharmaceutical company transforming patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products. By applying our innovative proprietary technology platform, Arestat™, we are developing an internal portfolio of proprietary products in diabetes and other indications, as well as working with leading pharmaceutical and biotechnology companies to deliver therapeutic products. The Arestat™ platform is supported by an extensive patent portfolio.

For further details please see our website, [www.arecor.com](http://www.arecor.com)

#### **APPENDIX 1**

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

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

Arecor is a globally focused biopharmaceutical company transforming patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products which are safer, more effective and easier-to-use with a vision to provide improved outcomes and quality of life to patients.

Arecor does this by leveraging its innovative and proprietary formulation technology platform, Arestat™. Arecor has a diverse portfolio of both proprietary in-house products and partnered programmes. The Company has a diversified and growing revenue base through partnerships and licence agreements with pharmaceutical companies, commercial sales of Ogluo® and significant upside potential from its diabetes and obesity proprietary pipelines which are further described below.

###### **a) Partnership products:**

###### **Technology partnerships**

Arecor has a portfolio of technology partnerships with leading pharmaceutical and biotechnology companies developing enhanced, differentiated versions of their proprietary products across a range of indications and stages of development. These partnerships are revenue generating from inception generating fees for access to Arecor's technology, expertise and its broad IP portfolio. Once Arecor has completed this initial development work, the partners have the opportunity to license the novel formulations developed by Arecor and the associated IP such that they can further develop and commercialise these enhanced products. These licenses are typically milestone and royalty based and offer significant upside potential. The Group's technology partnerships include agreements with some of the largest pharmaceutical and MedTech companies in the world including Eli Lilly and Medtronic. These partnerships highlight the strength and the need for the Arestat™ technology platform, provide near-term revenue generation as well as offering significant upside potential from potential future licensing arrangements.

###### **Technology licencing model**

Arecor currently has three products under licence agreements with partners including Sanofi, Hikma and an undisclosed partner for AT220. These novel formulations of the products under license have been developed incorporating the Group's Arestat™ technology and have been

subsequently licenced to the partners who are responsible for further development and commercialisation.

Arecor's AT220 product (undisclosed biosimilar), is the first product incorporating the Arestat™ technology to be launched (November 2023) and is now generating royalties under a worldwide license agreement, representing a clear validation of the Arestat™ platform and demonstrating the strength of the Group's technology and value it has to partners.

**b) Specialty Hospital Portfolio:**

**Commercial products**

Arecor's specialty hospital products franchise includes the Tetris Pharma portfolio and Arecor's in-house development pipeline of specialty hospital products, one of which is under license with Hikma Pharmaceuticals. The focus of the specialty hospital product portfolio is to develop ready-to-use ("RTU") and ready-to-administer ("RTA") versions of existing therapeutic products that have the potential to enable fast, safer and effective treatment options for patients.

Tetris Pharma's lead product Ogluo®, is a RTU glucagon product for the treatment of severe hypoglycaemia in people with diabetes. In the year ended 31 December 2023, product sales of Ogluo® totalled £2.9 million (2022: £1.0 million) and notwithstanding that first half of 2024 sales have been significantly tempered by the availability of Ogluo® stock, the Directors anticipate, with increased investment from the Fundraising, additional 60 per cent. growth potential in 2024. Tetris Pharma have an exclusive long-term licence agreement from Xeris Pharmaceuticals Inc. in the US, to sell Ogluo® in the UK, Europe and Switzerland. Tetris Pharma continues to build sales momentum through the commercial roll-out of Ogluo® and is focused on expansion throughout the UK and Germany. Subject to funding, increased inventory availability will provide a significant opportunity for the commercial expansion with a target of cashflow breakeven for the Tetris Pharma subsidiary in 2026.

Tetris Pharma is targeting gaining market share in the UK and Germany where the RTU glucagon market is estimated to be worth approximately £18 million and £9.5 million respectively. With increased investment, Tetris Pharma plan to focus on implementing targeted awareness campaigns to drive demand and revenue growth through 2024 and 2025 in the UK and Germany. Dr Helen Parris was appointed as Senior Vice President, Commercial and General Manager of Tetris Pharma in January 2024, and is a key catalyst in driving revenue growth and commercialisation.

**c) Proprietary Product Portfolio**

**Proprietary product portfolio**

The Group's in-house proprietary product portfolio is focused on areas of high unmet patient needs in high value markets, which can be addressed using the Group's Arestat™ technology platform developing enhanced versions of existing medicines. The primary area of focus is on diabetes and obesity with the high-level strategy to develop valuable data packages and demonstrate superiority of these products to enable future high-value partnership opportunities under the Group's licensing model.

The Group's proprietary diabetes insulin products have demonstrated clinical superiority across four clinical studies to date comparing Arecor's products against the best-in-class insulins currently available to patients from Eli Lilly and Novo Nordisk.

**AT278 - ultra-concentrated, ultra-rapid acting insulin:**

AT278 (500 U/mL) is an ultra-concentrated, ultra-rapid acting, novel formulation of insulin that accelerates the absorption of insulin post injection, even when delivered at a high concentration, and hence a lower injection volume. With no concentrated (>200 U/mL), rapid acting insulins on the market, AT278 has potential to be the first, and only, insulin available to the growing number of patients with high daily insulin requirements, bringing the advantage of lower injection volume and potentially fewer injections for those on MDI (multiple daily injection) therapy. In the US, the average daily insulin use for a person with Type 2 diabetes is ~100 units/day, with ~18 per cent. of Type 1 diabetics also requiring ≥100 units/day. Furthermore, despite the improvements in outcomes among people with diabetes who use insulin pumps and automated insulin delivery (AID) systems, they are still only used by less than 40 per cent. of people with Type 1 diabetes and less than 10 per cent. of people with Type 2 diabetes in the US. The size and short duration of wear of existing insulin pumps remains a significant barrier to use. AT278 has the potential to be the only highly concentrated, ultra-rapid acting insulin to enable the next generation of miniaturised, longer wear insulin pumps. The insulin pump market is valued at circa \$5.5 billion market today, with a significant opportunity for substantial growth in this market by expanding use across the Type 1 and Type 2 patient population that can be further enabled by AT278 and a next generation insulin pump.

In a Phase I clinical study in Type 1 diabetic patients, AT278 clearly demonstrated superiority for onset of appearance and insulin exposure (PK) and superior accelerated glucose-lowering effect (PD) profile compared to the lower concentration NovoRapid® (100U/mL).

On 20 May 2024, Arecor announced highly positive results for AT278, which demonstrated superiority over NovoRapid® and Humulin® R U-500 in a phase I clinical trial in overweight and obese people with Type 2 diabetes.

Together with its superior profile in the earlier Phase I clinical study in Type 1 diabetic patients, AT278 has demonstrated its ability to maintain a fast and superior onset of action and glucose lowering profile irrespective of diabetes type and BMI. This makes AT278 completely unique in the competitive field of insulin analogues. Not only does it have the potential to significantly improve post-prandial glucose control whilst lowering burden for anybody with diabetes who has a high daily insulin need, it can act as a catalyst in the development of miniaturised insulin delivery systems, where the size of existing devices is a significant barrier to use for many patients.

As announced on 10 June 2024, the Board believes that, subject to funding, the optimal value inflection point for AT278 and potential value for Shareholders is likely to be best achieved through conducting an insulin pump study which the Director's believe should provide sufficient data for potential licensing partners, to

further demonstrate the potential of AT278 to disrupt the market by enabling the next generation of truly miniaturised, longer-wear insulin pumps, a key focus for patients, physicians and the industry. Therefore, the Directors continue to explore funding options, including but not limited to co-development arrangements, to conduct the clinical pump study. The Director's believe the pump study will deliver major valuation accretion which will increase the potential for, and value of, strategic dealmaking providing greater optionality for discussions with third parties around, *inter alia*, co-development of AT278.

#### ***AT247 - ultra-rapid acting insulin:***

AT247 (100U/mL), is an Arestat™ enabled formulation of insulin designed to accelerate the absorption of insulin post injection, to enable more effective management of blood glucose levels for people living with diabetes, particularly around difficult to manage mealtimes. In a European Phase I first-in-man study, AT247 demonstrated highly favourable results with a faster acting and superior glucose lowering PK/PD profile when compared to currently available gold standard rapid acting insulins, Novo Nordisk's NovoRapid® and Fiasp®. With a superior PK/PD profile, AT247 has the potential to enable even more effective disease management for people with Type 1 diabetes using fully automated delivery of insulin via a pump in closed loop mode. Arecor is currently exploring the potential for AT247 for clinically improve time-in-range (time in target blood glucose range) when combined with tuned algorithms with a number of insulin device companies.

The Group's proprietary product portfolio has significant opportunity to further expand its proprietary pipeline of different therapeutic injectables for partnering and is a continued focus of research and development. The Group has established a research collaboration with TRx Biosciences for the formulation development of an oral GLP-1 receptor agonist product. With current treatment options mostly limited to injectable therapies, many patients in need are unable to benefit from these highly effective treatments providing a significant market opportunity with the GLP-1 market forecast to reach \$80-100 billion by 2030. The collaboration provides scope for expansion to develop further oral peptide products, including additional peptides and combination approaches which may be key in the treatment of obesity-related health conditions, as well as peptide products targeting multiple therapeutic areas. If technically successful, Arecor anticipates its oral GLP-1 product to be highly commercially attractive to partners and also allow expansion more broadly into oral delivery of peptides.

#### ***Current Trading***

Whilst it remains early in the financial year, the Group currently expects revenue for 2024 to remain in line with consensus analyst market expectations. However, it should be noted that this remains dependent on revenue growth across all areas of the business including new potential licensing deals, increased Tetris Pharma sales and royalties from AT220. The timing and magnitude of the Group's revenue streams from its partnered portfolio and demand for Ogluo® are uncertain and are not all fully within the Group's control. Total (unaudited) revenue for the first half of 2024 was £1.9 million (first half 2023 unaudited: £1.7 million) which does not include second quarter 2024 AT220 royalties (royalty statement is due around the end of July). The Group's unaudited cash position at 30 June 2024 was £2.5 million.

The Company continues to examine cost mitigation, has implemented a number of short-term measures and continues to explore longer term cost savings and funding options, including non-dilutive funding such as, but not limited to, grant funding and co-development funding across its proprietary diabetes portfolio. The Company is focused on managing its working capital efficiently.

The Company is in advanced discussions regarding the appointment of a new CFO.

#### ***Rationale for the Transaction***

As outlined above, the Directors believe that Arecor has multiple opportunities for revenue growth and value creation for Shareholders across its partnership products and its speciality products portfolio through a combination of product sales, royalties and milestones. In the medium-term the Directors believe there are significant opportunities that may be generated through its proprietary diabetes portfolio. In order to deliver the growth opportunities, the Group is seeking to raise approximately £6 million by way of the Placing and Subscription and up to a further £1 million by way of the Retail Offer in order to provide a sound financial platform allowing Arecor to deliver significant valuation inflection points.

As noted in the Company's trading update announced on 10 June 2024, the Company stated that further funding is required for working capital purposes as result of the timing of potential pipeline revenues and an increase in costs. Should the Resolutions not be approved at the General Meeting, the net proceeds from the Fundraising will not be received by the Company, which may materially and adversely impact the Group's financial position and its ability to continue with its strategy as intended.

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

The net proceeds from the Placing and Subscription will be used to drive revenue growth across the business and seek to deliver significant value inflections. Subject to achieving expected revenues and cash in-flows, the Directors believe the Placing and Subscription will provide the Company with a cash runway for two years from Admission. Subject to the Resolutions being passed at the General Meeting, the Directors intend to use the net proceeds of the Placing and Subscription as follows:

- i. £2.7 million - continue to invest in Arecor research and development with a focus on delivering enhanced injectables and oral-GLP-1 data packages to convert value driving partnering, working capital.
- ii. £2.7 million - investment in Tetris Pharma to drive Ogluo® product sales through investment in inventory and in awareness and marketing campaigns in the UK and Germany with the aim to reach cashflow positive in 2026.

It is intended that the net proceeds of the Retail Offer will be used to provide general working capital and balance sheet strength.

## **Details of the Transaction**

The Company is proposing to raise approximately £6 million (before expenses) through the Placing, to new and existing institutional investors, and the Subscription, in each case at the Issue Price. Alongside the Placing and the Subscription, the Company intends to launch the Retail Offer at the Issue Price pursuant to which qualifying retail investors in the UK will have the opportunity to subscribe for new Ordinary Shares at the Issue Price to raise up to a further £1 million.

The approximately 7,777,774 new Ordinary Shares to be issued pursuant to the Placing, Subscription and Retail Offer will, assuming the Retail Offer is subscribed for in full, represent approximately 20.3 per cent. of the Enlarged Share Capital following Admission. It is expected that, subject to, amongst other things, approval of the Resolutions at the General Meeting, the new Ordinary Shares will be admitted to trading on AIM at 8.00 a.m. on or around 9 August 2024 (or such later date and/or time as the Company, Panmure Liberum, WG Partners and Beech Hill Securities may agree not being later than 5.00 p.m. on 31 August 2024).

### ***Placing***

The Placing is being made available to certain institutional investors, other professional investors and certain Directors of the Company to raise gross proceeds of approximately £5 million.

Panmure Liberum, WG Partners and Beech Hill Securities, as agents for the Company, have severally (and not jointly or jointly and severally) agreed to use their reasonable endeavours to procure Placees for the Placing Shares at the Issue Price by way of an accelerated bookbuild process on and subject to the terms of the Placing Agreement and this Announcement.

Placees who apply to subscribe for the Placing Shares will do so on the basis of the terms and conditions of the Placing set out in Appendix 3 to this Announcement. The Placing is not underwritten in any respect.

The Bookbuild will open with immediate effect following this Announcement and is expected to close on 19 July 2024. The timing for the close of the Bookbuild, the number of Placing Shares to be issued and allocation of the Placing Shares shall be at the discretion of the Joint Bookrunners in consultation with the Company. The result of the Placing will be announced as soon as practicable after the close of the Bookbuild.

The obligations of Panmure Liberum, WG Partners and Beech Hill Securities under the Placing Agreement in respect of the Placing are conditional, *inter alia*, upon:

- i. Resolutions 1 and 2 being passed at the General Meeting;
- ii. the Placing Agreement becoming unconditional in all respects (save for any condition relating to the Admission) and not having been terminated in accordance with its terms prior to Admission; and
- iii. Admission having become effective on or before 8.00 a.m. on 9 August 2024 (or such later date and/or time as the Company, Panmure Liberum, WG Partners and Beech Hill Securities may agree not being later than 5.00 p.m. on 31 August 2024).

If any of the conditions above are not satisfied or waived (where capable of waiver), the Placing Shares will not be issued.

The Placing Shares will be issued free of all liens, charges and encumbrances and will, when issued, be fully paid, and rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared, paid or made after the date of their issue.

Subject to, *inter alia*, the passing of the Resolutions, application will be made to the London Stock Exchange for the admission of the Placing Shares, the Subscription Shares and the Retail Shares to trading on AIM. Admission is expected to occur and dealings are expected to commence in the new Ordinary Shares at 8.00 a.m. on 9 August 2024 (or such later date and/or time as the Company, Panmure Liberum, WG Partners and Beech Hill Securities may agree not being later than 5.00 p.m. on 31 August 2024). If Admission does not occur, then the Company will not receive the net proceeds from the Fundraising in respect of Admission and the Company may not be able to finance the activities it intends to utilise the net proceeds of the Fundraising, as described in this Announcement.

## **Subscription**

Certain existing Shareholders of the Company, one of whom is a Director of the Company, have conditionally agreed to subscribe for in aggregate 1,155,554 Subscription Shares at the Issue Price raising gross proceeds of £1,040,000. The Subscription will not be underwritten in any respect.

The Subscription will be conditional upon, amongst other things, (a) the Placing Agreement becoming unconditional in all respects (save for any condition relating to the Admission) and not having been terminated in accordance with its terms prior to Admission; (b) the passing without amendment of all the Resolutions at the General Meeting and (c) Admission occurring in respect of the Subscription Shares by 8:00 a.m. on 9 August 2024 or such later time and date as the Company and Panmure Liberum, WG Partners and Beech Hill Securities may agree.

If the conditions for the Subscription are not satisfied or waived (where capable of waiver), the Subscription will lapse and the Subscription Shares will not be allotted and issued and no monies will be received by the Company pursuant to the Subscription.

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

## **2. General Meeting**

The Directors do not currently have sufficient authority to allot the new Ordinary Shares pursuant to the Fundraising and, accordingly, the Board will be seeking the approval of Shareholders, at the General Meeting, to allot the new Ordinary Shares in order to carry out the Fundraising.

You will find set out at the end of the Circular a notice convening the General Meeting, to be held at the offices of Covington & Burling LLP at 22 Bishopsgate, London EC2N 4BQ on 8 August 2024 at 1:00 p.m. at which the following Resolutions will be proposed:

**Resolution 1** - An ordinary resolution to authorise the Directors to allot relevant securities for the purposes of section 551 of the Act provided that such power be limited to the allotment of the new Ordinary Shares in connection with the Fundraising and Retail Offer.

**Resolution 2** - A special resolution to authorise the Directors to allot equity securities for cash, pursuant to the authority conferred on them by Resolution 1, and to dis-apply statutory pre-emption rights in respect of the allotment of such shares, as if section 561 of the Act did not apply to such allotment, provided that such power shall be limited to the allotment of the new Ordinary Shares in connection with the Fundraising and Retail Offer. This Resolution is conditional upon the passing of Resolution 1.

## **IMPORTANT NOTICES**

**THIS ANNOUNCEMENT, INCLUDING THE APPENDICES AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "ANNOUNCEMENT") AND THE TERMS AND CONDITIONS SET OUT HEREIN IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM ANY PART OF AN OFFER TO SELL OR ISSUE, OR A SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY SECURITIES IN THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (COLLECTIVELY, THE "UNITED STATES")), AUSTRALIA, CANADA, SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN ANY SUCH JURISDICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF SUCH JURISDICTIONS.**

This Announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

This Announcement is not for public release, publication or distribution, in whole or in part, directly or indirectly, in or into Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction in which such release, publication or distribution would be unlawful. The securities referred to herein have not been and will not be registered under the securities laws of Australia, Canada, the Republic of South Africa, Japan or any state, province or territory thereof or any other jurisdiction outside the United Kingdom, except pursuant to an applicable exemption from the registration requirements and in compliance with any applicable securities laws of any state, province or other jurisdiction of Australia, Canada, the Republic of South Africa or Japan (as the case may be).

No public offering of the Placing Shares is being made in Australia, Canada, the Republic of South Africa, Japan or elsewhere.

No action has been taken by the Company, Panmure Liberum, WG Partners and/or Beech Hill Securities (each a "Bank" and together the "Banks"), their affiliates, or any of their respective directors, officers, partners, employees, advisers, consultants and/or agents (collectively, "Representatives") that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any restrictions contained in this Announcement. Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Announcement should seek appropriate advice before taking any action. Persons distributing any part of this Announcement must satisfy themselves that it is lawful to do so.

No offering document or prospectus will be made available in any jurisdiction in connection with the matters contained or referred to in this Announcement or the Placing and no such prospectus is required to be published.

Certain statements in this Announcement are forward-looking statements with respect to the Company's expectations, intentions and projections regarding its future performance, strategic initiatives, anticipated events or trends and other matters that are not historical facts and which are, by their nature, inherently predictive, speculative and involve risks and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. All statements that address expectations or projections about the future, including statements about operating performance, strategic initiatives, objectives, market position, industry trends, general economic conditions, expected expenditures, expected cost savings and financial results, are forward-looking statements. Any statements contained in this Announcement that are not statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "could", "intend", "estimate", "expect", "may", "plan", "project" or words or terms of similar meaning or the negative thereof, are not guarantees of future performance and are subject to known and unknown risks and uncertainties. There are a number of factors including, but not limited to, commercial, operational, economic and financial factors, that could cause actual results, financial condition, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in taxation or fiscal policy, future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governments or governmental regulators, or other risk factors, such as changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation, recession and consumer confidence, on a global, regional or national basis. Given those risks and uncertainties, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of this Announcement. Each of the Company, and the Banks expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required to do so by applicable law or regulation.

Panmure Liberum, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and joint bookrunner to the Company in connection with the Placing and Admission and to no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing or Admission or any other matter referred to in this Announcement. Panmure Liberum's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or to any director of the Company or to any other person in respect of any decision to acquire shares in the Company in reliance on any part of this Announcement.

WG Partners, which is authorised and regulated in the United Kingdom by the FCA, is acting as joint bookrunner to the Company in connection with the Placing and Admission and to no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing or Admission or any other matter referred to in this Announcement.

Beech Hill Securities, which is authorised and regulated in the United States by the Financial Industry Regulatory Authority, is acting as a placement agent to the Company in connection with the Placing and Admission and to no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients, nor for providing advice in relation to the Placing or Admission or any other matter referred to in this Announcement.

None of Panmure Liberum, WG Partners, Beech Hill Securities, their affiliates nor any of their respective Representatives, accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to this Announcement, including the truth, accuracy or completeness of the information in this Announcement (or whether any information has been omitted from the Announcement) or for any loss howsoever arising from any use of the Announcement or its contents. Panmure Liberum, WG Partners, Beech Hill Securities, their affiliates and their respective Representatives, accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this Announcement or its contents or otherwise arising in connection therewith.

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.

This Announcement has been prepared for the purposes of complying with applicable law and regulation in the United Kingdom and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The new Ordinary Shares to be issued pursuant to the Fundraising and Retail Offer will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

## INFORMATION TO DISTRIBUTORS

### **UK product governance**

Solely for the purposes of the product governance requirements contained within of Chapter 3 of the FCA Handbook Production Intervention and Product Governance Sourcebook (the '**UK Product Governance Requirements**'), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (for the purposes of UK Product Governance Requirements) should note that: (a) the price of the Placing Shares may decline and investors could lose all or part of their investment; (b) the Placing Shares offer no guaranteed income and no capital protection; and (c) an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Panmure Liberum, WG Partners, Beech Hill Securities 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 Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

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

#### ***EEA product governance***

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 in the European Economic Area (together, the '**MiFID II Product Governance Requirements**'), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the '**Target Market Assessment**'). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Panmure Liberum, WG Partners, Beech Hill Securities will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

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

## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

<b>Event</b>	<b>Timing</b>
Announcement of the results of the Placing	19 July 2024
Announcement of the results of the Retail Offer	7:00 a.m. on 23 July 2024
Publication of the Circular (including Notice of General Meeting) and Forms of Proxy	As soon as practicable after 7:00 a.m. on 23 July 2024
Latest time and date for receipt of Forms of Proxy and electronic appointments of proxies via CREST	1:00 p.m. on 6 August 2024
General Meeting	1:00 p.m. on 8 August 2024
Announcement of the results of the General Meeting	8 August 2024
Admission and commencement of dealings in new Ordinary Shares	8.00 a.m. on 9 August 2024
Placing Shares in Uncertificated form expected to be credited to accounts in CREST	As soon as possible after 8.00 a.m. on 9 August 2024
Despatch of definitive share certificates for the new Ordinary Shares in Certificated form	Within 10 business days of Admission

## Notes

1. If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service (as defined in the AIM Rules) announcement.
2. In this Announcement, all references to times and dates are to times and dates in London, United Kingdom.
3. The timetable above assumes that Resolutions 1 and 2 are passed at the General Meeting without adjournment.

## APPENDIX 3

## TERMS AND CONDITIONS OF THE PLACING

## INTRODUCTION

**IMPORTANT INFORMATION FOR INVITED PLACEES ONLY REGARDING THE PLACING.**

THIS ANNOUNCEMENT IS RESTRICTED, AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, ANY OF THE OTHER RESTRICTED JURISDICTIONS OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS 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 INVESTMENT. HAVING REGARD TO: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF THE PROSPECTUS REGULATION (EU) 2017/1129 (THE 'EU PROSPECTUS REGULATION'); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF PROSPECTUS REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED (THE 'PROSPECTUS REGULATION'); (3) WHO (A) FALL WITHIN ARTICLE 19(5) ('INVESTMENT PROFESSIONALS') OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED ('THE ORDER'), OR (B) FALL WITHIN ARTICLE 49(2)(A) TO ('HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.') OF THE ORDER; OR (3) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED; AND, IN EACH CASE, WHO HAVE BEEN INVITED TO PARTICIPATE IN THE PLACING BY THE BANKS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").

THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX, AND THE ANNOUNCEMENT OF WHICH IT FORMS PART, IS FOR INFORMATION PURPOSES ONLY AND DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. IF YOU ARE IN ANY DOUBT AS TO WHETHER YOU ARE A RELEVANT PERSON YOU SHOULD CONSULT A PROFESSIONAL ADVISER FOR ADVICE.

THIS ANNOUNCEMENT IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER,

SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF THE PLACING SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF THE PLACING SHARES.

Placees will be deemed to have read and understood this Announcement and these terms and conditions in their entirety and to be making such offer on the terms and conditions and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Appendix. In particular, each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in the United Kingdom who acquires any Placing Shares pursuant to the Placing:
  - a. it is a Qualified Investor within the meaning of Article 2(e) of the UK Prospectus Regulation; and
  - b. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK 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 the United Kingdom other than Qualified Investors within the meaning of Article 2(e) of the UK Prospectus Regulation or in circumstances in which the prior consent of the Joint Bookrunners have been given to the offer or resale; or
    - ii. where Placing Shares have been acquired by it on behalf of persons in the United Kingdom other than Qualified Investors within the meaning of Article 2(e) of the UK Prospectus Regulation, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons;
3. in the case of a Relevant Person in a member state of the EEA (each, a "Relevant Member State") who acquires any Placing Shares pursuant to the Placing:
  - a. it is a Qualified Investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and
  - b. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the 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 Relevant Member State other than Qualified Investors within the meaning of Article 2(e) of the EU Prospectus Regulation or in circumstances in which the prior consent of the Joint Bookrunners have been given to the offer or resale; or
    - ii. where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors within the meaning of Article 2(e) of the EU Prospectus Regulation, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
4. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are acquired will not be, a resident of, or have an address in, or be subject to the laws of a Restricted Jurisdiction, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of a Restricted Jurisdiction and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
5. other than a limited number of "qualified institutional buyers" as defined in Rule 144A under the Securities Act ("Rule 144A"), it and the person(s), if any, for whose account or benefit it is acquiring the Placing Shares are purchasing the Placing Shares in an "offshore transaction" as defined in Regulation S; and
6. the Company and each Bank will rely upon the truth and accuracy of, and compliance with, the foregoing representations, warranties, undertakings, agreements and acknowledgements. Each Placee hereby agrees with each Bank and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued. A Placee shall, without limitation, become so bound if any Bank confirms (orally or in writing) to such Placee its allocation of Placing Shares.

Panmure Liberum, WG Partners and/or Beech Hill Securities do not make any representation to any Placee regarding an investment in the Placing Shares referred to in this Announcement.

This Announcement does not constitute an offer, and may not be used in connection with an offer, to sell or issue or the solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction in which such offer or solicitation is or may be unlawful. This Announcement and the information contained herein is not for publication or distribution, directly or indirectly, to persons in any of the Restricted Jurisdictions or in any jurisdiction in which such publication or distribution is unlawful. Persons who come into possession of this Announcement are required by the Company to inform themselves about and to observe any restrictions of transfer of this Announcement. No public offer of securities of the Company under the Placing is being made in the United Kingdom, the United States or any Restricted Jurisdiction.

The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada; no prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of any of the Restricted Jurisdictions. 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 the Restricted Jurisdictions 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 Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

#### **DETAILS OF THE PLACING**

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

The Placing Agreement contains customary warranties given by the Company to each of the Banks as to matters relating to the Company and its business and a customary indemnity given by the Company to each of the Banks in respect of liabilities arising out of, or in connection with, the Placing.

The Joint Bookrunners (after consultation with the Company) reserve the right to scale back the number of Placing Shares to be subscribed by any Placee in the event of applications in excess of the target amount under the Placing. The Company and the Joint Bookrunners also reserve the right not to accept offers to subscribe for Placing Shares or to accept such offer in part rather than in whole. The Banks shall be entitled to effect the Placing by such method as it shall in its sole discretion determine. To the fullest extent permissible by law, neither Panmure Liberum, WG Partners nor Beech Hill Securities nor any holding company of Panmure Liberum, WG Partners nor Beech Hill Securities nor any subsidiary branch or affiliate of Panmure Liberum, WG Partners nor Beech Hill Securities (each an affiliate) nor any of their Representatives shall have any liability to the Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Panmure Liberum, WG Partners nor Beech Hill Securities nor any affiliate thereof nor any of their Representatives shall have any liability to Placees in respect of their conduct of the Placing.

Each Placee's obligations will be owed to the Company and to the Banks. Following the confirmation referred to below in the paragraph entitled "Participation in, and principal terms of, the Placing", each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Banks, to pay to the Banks (or as the Banks may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares which such Placees has agreed to acquire.

Each Placee agrees to indemnify on demand and hold each of each of the Banks and the Company, their affiliates and any of their respective Representatives harmless from any all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the acknowledgments, undertakings, representations, warranties and agreements set forth in these terms and conditions.

The Placing is also conditional upon the Placing Agreement becoming unconditional (including with respect to the passing of the Resolutions) and the Placing Agreement not being terminated in accordance with its terms. Further details of conditions in relation to the Placing are set out below in the paragraph entitled "Conditions of the Placing".

A Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by the Joint Bookrunners at the Issue Price, conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. on 9 August 2024 (or such later time and/or date, not being later than 5.00 p.m. on 31 August 2024, as the Company and the Banks may agree); (ii) the Placing Agreement becoming otherwise unconditional in all relevant respects and not having been terminated in accordance with its terms on or before the date of the relevant Admission; and (iii) the Banks confirming to the Placees their allocation of Placing Shares.

To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

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

#### **APPLICATION FOR ADMISSION TO TRADING**

Application will be made to the London Stock Exchange for Admission. Subject to passing of the Resolutions, it is expected that settlement of the Placing Shares will become effective on or around 8.00 a.m. on 9 August 2024 and that dealings in the Placing Shares will commence at that time.

#### **PAYMENT FOR SHARES**

Each Placee has a separate, irrevocable and binding obligation to pay the Issue Price in cleared funds for the number of Placing Shares duly allocated to the Placee under the Placing in the manner and by the time directed by the Banks. If any Placee fails to pay as so directed and/or by the time directed, the relevant Placee's application for Placing Shares shall at the Banks' discretion either be rejected or accepted in which case the paragraph below entitled "Registration and Settlement" shall apply to such application.

#### **PARTICIPATION IN, AND PRINCIPAL TERMS OF, THE PLACING**

Each of the Banks (whether itself or through its affiliates) is arranging the Placing as an agent of the Company for the purpose of using reasonable endeavours to procure Placees at the Issue Price for the Placing Shares.

Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Banks. Each Bank and its affiliates may participate in the Placing as principal.

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

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

The number of Placing Shares to be issued, and the extent of each Placee's participation in the Placing (which will not necessarily be the same for each Placee), will be agreed between the Joint Bookrunners (following consultation with the Company) following completion of the book building process in respect of the Placing (the "Bookbuild"). No element of the

Placing will be underwritten. The aggregate number of Placing Shares will be announced on a Regulatory Information Service following completion of the Bookbuild.

A Placee's commitment to acquire a fixed number of Placing Shares under the Placing will be agreed orally with the relevant Bank as agent of the Company. Each Placee's allocation will be confirmed to Placees orally or by email by the relevant Bank, and a form of confirmation will be dispatched as soon as possible thereafter. The oral or email confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of each Bank and the Company, under which it agrees to acquire the number of Placing Shares allocated to it at the Issue Price on the terms and conditions set out in this Appendix and in accordance with the articles of incorporation of the Company.

The Placing Price is payable to the relevant Bank (as agent for the Company) by all Placees.

By participating in the Placing, each Placee will have an immediate, separate, irrevocable and binding obligation, owed to the relevant Bank (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire.

The Joint Bookrunners reserve the right to scale back the number of Placing Shares to be subscribed by any Placee in the event that the Placing is oversubscribed. The Joint Bookrunners also reserve 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 the Joint Bookrunners.

Except as required by law or regulation, no press release or other announcement will be made by the Banks or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made on the basis explained below under the paragraph entitled "Registration and Settlement".

All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below and to the Placing not being terminated on the basis referred to below.

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 the Company, the Banks, their affiliates or any of their respective Representatives shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise under these terms and conditions). In particular, none of the Company, the Banks or any of their respective affiliates shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Banks' conduct of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the issue of the Placing Shares to the Placees and each Bank shall have no liability to the Placees for the failure of the Company to fulfil those obligations.

#### CONDITIONS OF THE PLACING

The obligations of the Banks under the Placing Agreement in respect of the Placing Shares are conditional on customary conditions including, *inter alia*:

1. the passing (without amendment) of the Resolutions required to complete the Placing, the Subscription and the Retail Offer, in each case to be set out in the Notice of General Meeting;
2. the Company allotting, subject only to Admission, the Placing Shares in accordance with the Placing Agreement;
3. the Company allotting, subject only to Admission, the Retail Shares and the Subscription Shares in accordance with the Placing Agreement;
4. Admission taking place not later than 8.00 a.m. on 9 August 2024 (or such later date as may be agreed in writing between the Company and the Banks);
5. the warranties contained in the Placing Agreement, being true, accurate and not misleading at the date of the Placing Agreement (and remaining true, accurate and not misleading at any time between such date and Admission) by reference to the facts then subsisting; and
6. the Company having complied with its obligations under the Placing Agreement.

If (a) any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by the Joint Bookrunners by the respective time or date where specified (or such later time or date as the Company and the Joint Bookrunners may agree not being later than 5.00 p.m. on 31 August 2024 (the "Long Stop Date")); or (b) the Placing Agreement is terminated as described below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Subject to certain exceptions, the Joint Bookrunners may, at their absolute discretion and upon such terms as they think fit, waive, or extend the period (up to the Long Stop Date) for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Joint Bookrunners nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

#### RIGHT TO TERMINATE UNDER THE PLACING AGREEMENT

Each Bank is entitled, at any time before Admission, to terminate its obligations under the Placing Agreement in accordance with its terms by giving notice to the Company in certain circumstances, including, *inter alia*:

1. where the Company has failed to comply with any of its obligations under the Placing Agreement which is material in the context of the Group, the Placing and/or Admission; or
2. where any of the warranties given by the Company to the Banks under the Placing Agreement are not true or accurate or were misleading when given or would not be true and accurate or would be misleading if repeated (by reference to the facts and circumstances in each case then existing) in a respect which is material in the context of the Group, the Placing and/or Admission; or
3. where, amongst other things, there is a material adverse change in the condition, earnings, business, operations or prospects of the Group or if there is a material adverse change in the financial, political, economic or stock market conditions, which in the opinion of Panmure Liberum and/or WG Partners and/or Beech Hill Securities (acting in good faith) makes it impractical or inadvisable to proceed with the Placing.

Where Panmure Liberum, WG Partners and/or Beech Hill Securities terminates its obligations under the Placing Agreement, Panmure Liberum and/or WG Partners may elect to allow the Placing to proceed. In such circumstances, the Placing Agreement will only terminate insofar as it relates to the terminating party and the Placing Agreement will remain in full force and effect with respect to the remaining Banks and the Company. If Panmure Liberum and WG Partners both elect to terminate its obligations under the Placing Agreement, the Placing Agreement will terminate in accordance with its terms.

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

Following Admission, the Placing Agreement is not capable of termination to the extent that it relates to the Placing of the Placing Shares.

The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that (i) the exercise by any Bank of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Banks, and that it need not make any reference to Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise or decision not to exercise; and (ii) its rights and obligations terminate only in the circumstances described above under 'Right to terminate under the Placing Agreement' and 'Conditions of the Placing', and its participation will not be capable of rescission or termination by it after oral confirmation by the Joint Bookrunners of the allocation and commitments following the close of the Bookbuild. Placees will have no rights against each Bank, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

#### **NO PROSPECTUS**

The Placing Shares will not be offered in such a way as to require a prospectus in the United Kingdom or elsewhere. No offering document or prospectus has been or will be submitted to be approved by the FCA in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this Announcement and certain business and financial information the Company is required to publish in accordance with the AIM Rules and the rules and practices of the FCA (collectively "**Exchange Information**").

Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement, including this Appendix, is exclusively the responsibility of the Company and has not been independently verified by the Banks. Each Placee, by accepting a participation in the Placing, further confirms to the Company and each Bank that it has reviewed all the information that it believes necessary or appropriate and has not relied on any representation, warranty, or statement made by or on behalf of the Company or a Bank or any other person and neither the Banks nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

#### **REGISTRATION AND SETTLEMENT**

Settlement of transactions in the Placing Shares (ISIN: GB00BMWLM973) following Admission will take place within CREST provided that, subject to certain exceptions, the Banks reserve the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that they may deem necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to the Banks (as agents for the Company) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with the relevant Bank.

Settlement of transactions in the Placing Shares (ISIN: GB00BMWLM973) following the relevant Admission will take place within the CREST system, subject to certain exceptions. Subject to passing of the Resolutions, settlement through CREST of the Placing Shares is expected to take place on 9 August 2024 unless otherwise notified by the Banks and Admission is expected to occur no later than 5.00 p.m. on 31 August 2024 unless otherwise notified by the Banks.

The relevant Admission and settlement may occur at an earlier date. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and the Banks may agree that the Placing Shares should be issued in certificated form. The Banks reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as it may deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of three percentage points above the prevailing base rate of Barclays Bank plc as determined by the Banks.

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

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

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

#### **REPRESENTATIONS, WARRANTIES AND FURTHER TERMS**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and each Bank (in its capacity as joint bookrunner (in the case of the Joint Bookrunners only) and as placing agent of the Company in respect of the Placing), namely that, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood this Announcement, including this Appendix, in its entirety and that its subscription of Placing Shares is subject to, and based upon, all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. acknowledges that no offering document or prospectus has been prepared in connection with the placing of the Placing Shares and represents and warrants that it has not received a prospectus or other offering document in connection therewith;
3. acknowledges that the Ordinary Shares are admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules (collectively the "Exchange Information"), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that the Placee is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. acknowledges that the content of this Announcement is exclusively the responsibility of the Company, and that none of Panmure Liberum, WG Partners, Beech Hill Securities, their affiliates or any of their respective Representatives or any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Announcement or any information previously or concurrently published by or on behalf of the Company (including any Exchange Information), and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by any Bank or the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them (including with respect to the Company, the Placing, the Placing Shares or the accuracy, completeness or adequacy of any publicly available information), or, if received, it has not relied upon any such information, representations, warranties or statements, and no Bank nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Announcement as it may otherwise place on a prospectus or admission document. Each Placee further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company and the terms of the Placing in deciding to participate in the Placing and it will not rely on any investigation that any Bank, their affiliates or any of their respective Representatives has or may have conducted;
5. it has the funds available to pay for the Placing Shares which it has agreed to acquire and acknowledges and agrees that it will pay the total subscription amount in accordance with these terms and conditions by the due time and date set out herein, failing which the relevant Placing Shares may be placed with other Placees or sold at such price as the relevant Joint Bookrunner determines;
6. acknowledges that the Placing is conditional on the passing of the Resolutions at the General Meeting and, if the Resolutions are not passed, the Placing will not proceed;
7. represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;
8. acknowledges that each Bank does not have any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that each Bank is not acting for it or its clients and that each Bank will not be responsible for providing protections to it or its clients;
9. acknowledges that no Bank nor any of its affiliates or any of their respective Representatives has or shall have any liability for any publicly available or filed information (including any Exchange Information) or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
10. acknowledges that, save in the event of fraud on the part of a Bank (and to the extent permitted by the FCA), no Bank, its ultimate holding company nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective Representatives shall be liable to Placees for any matter arising out of the relevant Bank's role as agent or

respective representatives shall be liable to Placees for any matter arising out of the relevant Banks' role as agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law, Placees will immediately waive any claim against any of such persons which it may have in respect thereof;

11. unless otherwise specifically agreed in writing with the Banks, represents and warrants that neither it nor the beneficial owner of such Placing Shares will be a resident of the Restricted Jurisdictions;
12. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of the Restricted Jurisdictions and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;
13. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer Placing Shares into a clearance system;
14. represents and warrants that: (i) it has complied with and will continue to comply with its obligations under the UK MAR, Criminal Justice Act 1993 and Part VIII of the Financial Services and Markets Act 2000, as amended ("FSMA") and other applicable law; (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) 2017 Regulations, and any other applicable law (where all such legislation listed under this (ii) shall together be referred to as the "AML Legislation"); and (iii) it is not a person: (1) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (2) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (3) subject to financial sanctions imposed pursuant to a regulation of the EU or a regulation adopted by the United Nations (together, the "Regulations"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and pursuant to AML Legislation and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Banks or the Company such evidence, if any, as to the identity or location or legal status of any person (including in relation to the beneficial ownership of any underlying investor) which a Bank or the Company may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise or any other information as may be required to comply with legal or regulatory requirements (including in particular under the AML Legislation)) in the form and manner requested by a Bank or the Company on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Banks may decide at their absolute discretion;
15. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Regulation 5(1) of the EU Prospectus Regulation and Regulation 5(1) of the UK Prospectus Regulation:
  - a. the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale in circumstances where either the EU Prospectus Regulation or the UK Prospectus Regulation applies to, persons in any Relevant Member State or in the UK other than Qualified Investors (as defined under the EU Prospectus Regulation or the UK Prospectus Regulation respectively) in circumstances in which the prior consent of the relevant Joint Bookrunner has not been given to the offer or resale; or
  - b. where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA or in the UK other than Qualified Investors (as defined under the EU Prospectus Regulation or the UK Prospectus Regulation respectively), the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation or the UK Prospectus Regulation as having been made to such persons;
16. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA or the UK prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any Member State of the EEA or the UK within the meaning of the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable);
17. 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 the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
18. represents and warrants that it has complied and will comply with all applicable provisions of the FSMA and the Financial Services Act 2012 with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
19. if in the United Kingdom, represents and warrants that it is a person who: (i) falls with Articles 49(2)(A) to (D) or 19(5) of the Order or it is a person to whom the Placing Shares may otherwise be lawfully offered under such Order or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations; and (ii) is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook;
20. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
21. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (i) to acquire the Placing Shares for each managed account; (ii) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (iii) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Banks;

22. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Joint Bookrunners may in their sole discretion determine and without liability to such Placee and it will remain liable and will indemnify the Joint Bookrunners on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;

23. acknowledges that no Bank nor any of its affiliates nor any of their respective Representatives, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of any Bank and that each Bank does not have any duties or responsibilities to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder, including any rights to waive or vary any conditions or exercise any termination right;

24. it acknowledges that:

- a. the information that a prospective Placee provides in documents in relation to the Placing or subsequently by whatever means which relates to the prospective Placee (if they are an individual) or a third party individual ("Personal Data") will be held and processed by the Company (and any third party to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:
  - i. verifying the identity of the prospective Placee to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
  - ii. contacting the prospective Placee with information about products and services, or its affiliates, which may be of interest to the prospective Placee;
  - iii. carrying out the business of the Company and the administering of interests in the Company;
  - iv. meeting with the legal, regulatory, reporting and/or financial obligations of the Company in England and Wales (and elsewhere as required); and
  - v. disclosing Personal Data to other functionaries of, or advisers to, the Company to operate and/or administer the Company's business;
- b. where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:
  - i. disclose Personal Data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective Placees; and
  - ii. transfer Personal Data outside the United Kingdom into countries or territories which do not offer the same level of protection for the rights and freedoms of prospective Placees as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by a member of the Company) discloses Personal Data to such a third party, agent and/or functionary and/or makes such a transfer of Personal Data, it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant Personal Data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such Personal Data; and
- c. in providing such Personal Data, prospective Placees will be deemed to have agreed to the processing of such Personal Data in the manner described above. Prospective Placees are responsible for informing any third party individual to whom the Personal Data relates of the disclosure and use of such data in accordance with these provisions;

25. in order to ensure compliance with the Regulations, the relevant Bank (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 the relevant Bank or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at the relevant Bank's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at the relevant Bank'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 the relevant Bank (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either the relevant Bank 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;

26. its commitment to acquire Placing Shares on the terms and conditions will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the relevant Joint Bookrunner's conduct of the Placing;

27. it irrevocably appoints any duly authorised officer of the relevant Bank as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares which it agrees to acquire upon these terms and conditions;

28. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself; or (ii) its nominee, as the case may be. Neither the Banks nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and each Bank in

behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company and each Bank in respect of the same on the basis that the Placing Shares will be issued to the CREST stock account of a Bank who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

29. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or any Bank 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;
30. acknowledges that time shall be of the essence as regards to obligations pursuant to this Appendix;
31. agrees that the Company, each Bank, their affiliates and any of their respective Representatives will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to each Bank on its own behalf and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this Announcement or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;
32. agrees to indemnify on an after-tax basis and hold the Company, each Bank, their affiliates or any of their respective Representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
33. acknowledges that no action has been or will be taken by any of the Company, each Bank or any person acting on behalf of the Company or each Bank that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
34. acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;
35. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the trade confirmation will continue, notwithstanding any amendment that may in the 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;
36. acknowledges that each Bank or any of its affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Placing;
37. represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation;
38. 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 the relevant Bank; and
39. to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in the Announcement, including this Appendix.

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

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Banks will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and each Bank in the event that any of the Company and/or any Bank has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Banks accordingly.

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

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

When a Placee or person acting on behalf of such Placee is dealing with a Bank, any money held in an account with a Bank on behalf of such Placee and/or any person acting on behalf of such Placee will not be treated as client money within the

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

All times and dates in this Announcement may be subject to amendment, and Placees' commitments, representations and warranties are not conditional on any of the expected times and dates in this Announcement being achieved. The Banks shall notify the Placees and any person acting on behalf of the Placees of any changes.

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

Each Bank is entitled, at its discretion and out of its own resources, at any time to rebate to some or all of its investors, or to other parties, part or all of its fees relating to the Placing.

## **MISCELLANEOUS**

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the **'UK Product Governance Rules'**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of investors who meet the criteria of professional clients and eligible counterparties each as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"); and (ii) eligible for distribution through all distribution channels as are permitted by the UK Product Governance Rules (the **"UK Target Market Assessment"**).

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

Notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each of the UK Target Market Assessment and the EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment and the EU Target Market Assessment, the Banks will only procure investors who meet the criteria of professional clients and eligible counterparties, as defined under COBS or MiFID II, as applicable. For the avoidance of doubt, neither the UK Target Market Assessment nor the EU Target Market Assessment constitutes: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

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

The content of this Announcement has been prepared by, and is the sole responsibility of, Arecor Therapeutics plc.

The information contained in this Announcement is given at the date of its publication (unless otherwise marked) and is subject to updating, revision and amendment from time to time. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this Announcement.

## **Data Protection**

The processing of a Placee's personal data by the Company will be carried out in compliance with the applicable data protection legislation and with its Privacy Notice, a copy of which can be found on the Company's website <https://arecor.com/>

Each Placee acknowledges that it has read and understood the processing activities carried out by the Company as informed in the referred Privacy Notice.

## **APPENDIX 4**

### **DEFINITIONS**

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

"Admission"	the admission of (i) the Placing Shares to be issued pursuant to the Placing, (ii) the Retail Shares to be issued pursuant to the Retail Offer and (iii) the Subscription Shares, to trading on AIM becoming effective by means of the issue by London Stock Exchange of a dealing notice under Rule 6 of the AIM Rules
"AIM"	AIM, the market of that name operated by London Stock Exchange
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange from time to time
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers as published by the London Stock Exchange from time to time
"Announcement"	this announcement, together with the Appendices and the terms and conditions contained herein
"Banks" and each a "Bank"	Panmure Liberum, WG Partners and Beech Hill Securities
"Beech Hill Securities"	Beech Hill Securities, Inc.
"Board" or "Directors"	the directors of the Company, as at the date of this announcement;
"Bookbuild"	the process by which the Placing will be effectuated, which will be launched immediately following this Announcement in accordance with the terms and conditions set out in Appendix II
"certificated" or "in certificated form"	in relation to a share or other security, not in uncertificated form (that is, not in CREST)
"Circular"	the circular to be posted to Shareholders in relation to the Fundraising and incorporating the Notice of General Meeting
"Company" or "Arecor"	Arecor Therapeutics plc, a public limited company incorporated in England and Wales with registered number 13331147
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations), which facilitates the transfer of title to shares in uncertificated form
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
"EEA"	European Economic Area
"Enlarged Share Capital"	the entire issued share capital of the Company immediately following Admission, assuming no other Ordinary Shares are issued between the date of this Announcement and Admission and assuming all of the Retail Shares are issued
"EU"	European Union
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"Existing Ordinary Shares"	the 30,626,986 Ordinary Shares in issue on the date of this Announcement
"Form of Proxy"	the form of proxy which will accompany the Circular for use in connection with the General Meeting
"FCA"	the Financial Conduct Authority
"FSMA"	Financial Services and Market Act 2000 (as amended)
"Fundraising"	together, the Placing, the Subscription and the Retail Offer
"General Meeting"	the general meeting of the Shareholders to be convened for 8 August 2024 by the Notice of General Meeting
"Group"	the Company and its subsidiaries
"Issue Price"	90 pence per new Ordinary Share
"Joint Bookrunners"	Panmure Liberum and WG Partners
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	5:00pm on 31 August 2024

"Notice of General Meeting"	the notice of the General Meeting which will be set out in the Circular
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company
"Panmure Liberum"	Panmure Liberum Limited, the Company's nominated adviser and joint bookrunner and broker in connection with the Placing
"Placing Agreement"	the conditional placing agreement dated 19 July 2024 between (1) the Company; (2) Panmure Liberum; (3) WG Partners and (4) Beech Hill Securities in respect of the Placing
"Placees"	the persons who have agreed to subscribe for Placing Shares under the Placing
"Placing"	the conditional placing by Panmure Liberum, WG and Beech Hill Securities (on behalf of the Company) of the Placing Shares with the Placees at the Issue Price pursuant to the Placing Agreement
"Placing Shares"	the new Ordinary Shares to be issued to Placees by the Company pursuant to the Placing whose allotment and issue is conditional (amongst other things) on the passing of the Resolutions
"Registrar"	Computershare Investor Services plc of The Pavilions, Bridgwater Road, Bristol BS13 8AE
"Regulatory Information Service"	has the meaning given in the AIM Rules
"Resolutions"	the resolutions to approve the Fundraising to be proposed at the General Meeting as set out in the Notice of General Meeting to be included the Circular
"Restricted Jurisdiction"	Australia, Canada, Japan, New Zealand and the Republic of South Africa
"Retail Offer"	the conditional offer of Retail Shares at the Issue Price to qualifying retail investors in the United Kingdom on the basis of the terms and conditions set out in the Retail Offer Announcement
"Retail Offer Announcement"	the announcement to be released by the Company relating to the Retail Offer
"Retail Shares"	new Ordinary Shares to be issued pursuant to the Retail Offer whose allotment and issue is conditional (amongst other things) on the passing of the Resolutions
"Securities Act"	U.S. Securities Act of 1933 (as amended)
"Shareholders"	the holders of Existing Ordinary Shares
"stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
"Subscribers"	certain existing Shareholders of the Company, one of whom is a Director, who have indicated they are intending to participate in the Subscription
"Subscription"	the conditional subscription by the Subscribers for Subscription Shares at the Issue Price in accordance with the Subscription Letters to raise approximately £1,040,000 before expenses
"Subscription Letters"	the subscription letters expected to be entered into between the Subscribers and the Company on 19 July 2024 in relation to the Subscription
"Subscription Shares"	the 1,155,554 new Ordinary Shares to be issued pursuant to the Subscription whose allotment and issue is conditional (amongst other things) on the passing of the Resolutions
"Tetris Pharma"	Tetris Pharma Ltd, a subsidiary of the Group and a private limited company incorporated in England and Wales with registered number 12548259
"uncertificated" or "in uncertificated form"	in relation to a share or other security, recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred through CREST
"UK MAR"	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as it forms part of UK domestic law by virtue of the European Union

(Withdrawal) Act 2018, as amended

"United Kingdom" or "UK"

the United Kingdom of Great Britain and Northern Ireland

"WG"

WG Partners LLP

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