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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

24 September 2024

**Kitwave Group plc**

**Acquisition of Creed Catering Supplies Limited**

**Proposed Placing to raise £31 million**

**Retail Offer of up to £0.5 million**

Kitwave Group plc (AIM: KITW) ("**Kitwave**", the "**Company**" and, together with its subsidiary undertakings, the "**Group**"), the delivered wholesale business, is pleased to announce that Kitwave Limited, a subsidiary of the Company, has agreed to acquire the entire issued share capital of Creed Catering Supplies Limited ("**Creed**") from the shareholders of Creed, a leading independent food wholesaler in the South of England (the "**Acquisition**"). The initial consideration payable for the Acquisition is £60.0 million in cash, with up to a further £10.0 million in cash payable over two years dependent on certain performance targets being achieved. The consideration is payable in cash with the initial consideration being financed from an increase in the Company's banking facilities and from the Capital Raising (as defined below). The Acquisition is conditional upon the Capital Raising (as defined below) and the Company will make a separate announcement, in due course, to confirm the Acquisition status. Completion of the Acquisition ("**Completion**"), is expected to occur on or around 27 September 2024, following settlement of the Capital Raising and conditions being met under the banking facilities.

In order to part finance the initial consideration payable under the Acquisition, the Company proposes to place 10,163,934 new ordinary shares of one penny each ("**Ordinary Shares**") in the capital of the Company (the "**Placing Shares**") at a price of 305 pence per Placing Share (the "**Issue Price**") with certain institutional and other investors to raise approximately £31.0 million (before expenses) (the "**Placing**"). The Placing is not conditional upon the completion of the Acquisition.

Canaccord Genuity Limited ("**Canaccord Genuity**") is acting as nominated adviser, sole bookrunner and sole broker in connection with the Capital Raising. Canaccord Genuity will commence a bookbuilding process in respect of the Placing immediately following the publication of this Announcement (the "**Bookbuilding Process**"). The Placing is being underwritten as to settlement risk only by Canaccord Genuity.

The Placing will be effected pursuant to the Company's existing shareholder authorities and therefore is not conditional upon approval by the Company's shareholders. However, the Board is supportive of the Pre-Emption Group guidance that encourages companies to consider the inclusion of retail shareholders when issuing shares non-pre-emptively. The Company therefore intends to carry out a separate offer (the "**Retail Offer**") of up to 163,934 new Ordinary Shares (the "**Retail Offer Shares**" and, together with the Placing Shares, the "**New Ordinary Shares**") at the Issue Price to be conducted by PrimaryBid Limited ("**PrimaryBid**") on its behalf. A separate announcement will be made in due course regarding the Retail Offer and its terms. For the avoidance of doubt, the Retail Offer is not part of the Placing.

It is intended that the Placing and the Retail Offer (together, the "**Capital Raising**") will result in the Company raising total gross proceeds of up to approximately £31.5 million.

A placing agreement has been entered into today between the Company and the Canaccord Genuity in connection with the Placing (the "**Placing Agreement**"). The terms and conditions of the Placing are set out in the Appendix (the "**Appendix**") to this announcement (such announcement and the Appendix together being this "**Announcement**"). The Retail Offer is not subject to the terms and conditions set out in the Appendix, and instead a separate announcement will be made shortly regarding the Retail Offer and its terms.

#### **Acquisition highlights**

- Creed is a leading independent family-owned Foodservice Wholesaler, with a range of customers within the leisure, hospitality, education and the care sectors.
- The Acquisition has an enterprise value of £70.0 million, representing an EV/LTM<sup>1</sup> EBITDA (pre IFRS16) multiple of approximately 6.9x (approximately 6.4x ex cash acquired). The initial consideration is £60.0 million, plus a two year earn out structure with maximum annual payments of £5.0 million.
- Additional consideration of £1.16 million is expected to be payable under a locked-box mechanism to account for current levels of working capital in Creed. Accordingly, the maximum consideration payable for the Acquisition is £71.16 million.
- Creed recorded LTM May 2024 revenues of £130.2 million, EBITDA of £10.2 million and adjusted operating profit of £8.3 million<sup>2</sup>. Creed reported an audited revenue of £124.2 million, operating profit of £7.8 million, profit before tax of £7.8 million and net assets of £13.4 million for the financial year ended 31 December 2023 (being the date of the last filed audited accounts of Creed).
- The Company has agreed to guarantee the obligations of Kitwave Limited in connection with the Acquisition.
- The Directors believe that the Acquisition has compelling strategic rationale for the Group, including:
  - expected delivery of a significant earnings enhancement;
  - a significant increase in the financial scale, with the enlarged Group expected to achieve pro forma<sup>3</sup> revenue of over £800 million, adjusted EBITDA of £55 million and adjusted operating profit of £42 million;
  - geographic expansion, with tangible buying, operational and financial synergies; and
  - the creation of a fully integrated national delivery network enabling future organic and acquisitive growth opportunities.

#### **Capital Raising highlights**

- Placing to raise £31.0 million (before expenses) through the issue of 10,163,934 Placing Shares at 305 pence per new Ordinary Share.
- Retail Offer to raise up to £0.5 million (before expenses) through the issue of up to 163,934 Retail Offer Shares at 305 pence per new Ordinary Share.
- The Issue Price represents a discount of approximately 3.9 per cent. to the closing middle market price of 317.5 pence per Ordinary Share on 23 September 2024, being the latest practicable date prior to the publication of this Announcement.
- The New Ordinary Shares (assuming full take up of the New Ordinary Shares pursuant to the Capital Raising) will represent approximately 14.7 per cent. of the existing issued share capital of the Company (the "**Existing Ordinary Shares**").
- The final number of Placing Shares to be placed will be determined by Canaccord Genuity, in consultation with the Company, at the close of the Bookbuilding Process and the result will be announced as soon as practicable thereafter. The timing for the close of the Bookbuilding Process and the allocation of the Placing Shares will be determined together by Canaccord Genuity and the Company.
- The Capital Raising is not conditional on approval by the Company's shareholders ("**Shareholders**").
- The Placing is subject to the terms and conditions set out in the Appendix to this Announcement. The Appendix forms part of this Announcement.

<sup>1</sup> Last twelve months to May 2024 ("LTM")

2. Last twelve months to May 2024 ( LTM )

2. Based on Creed management accounts (pre IFRS adjustments) for the last 12 months to May 2024, including vendor due diligence adjustment for non-recurring shareholder costs and run rate of current expenses.

3. Pro forma 12 months to October 2024 based on consensus market expectations for Kitwave for the 12 months ending October 2024, plus the LTM as set out in note 2 above. The current consensus market expectations for Kitwave for the 12 months ending October 2024 are £673.4 million of revenue, £44.7 million of adjusted EBITDA and £33.8 million of adjusted operating profit. Adjusted for exceptional (income) / expenses and share based payment expenses.

**Ben Maxted, Chief Executive Officer of Kitwave, commented:**

*"Creed has an exceptional heritage and is one of the UK's leading foodservice wholesalers, so we are delighted to have reached this agreement which will extend our Foodservice division.*

*"Strategically, Creed will significantly expand our geographical presence, bridging our operations in the North and South and creating a fully integrated national delivery network. In line with our buy and build strategy, Creed is also expected to significantly enhance the Group's earnings along with providing material buying, operational and financial synergies.*

*"We are looking forward to working with Creed's dedicated and experienced team and excited to see our Foodservice division continue to go from strength to strength."*

For further information please contact:

**Kitwave Group plc**

Tel: +44 (0) 191 259 2277

Ben Maxted, Chief Executive Officer

David Brind, Chief Financial Officer

[www.kitwave.co.uk](http://www.kitwave.co.uk)

**Canaccord Genuity Limited**

Tel: +44 (0) 20 7523 8150

(NOMAD, Sole Broker and Sole Bookrunner)

Bobbie Hilliam

Harry Pardoe

Alex Aylen

Sam Lucas

**Yellow Jersey PR**

Tel: +44 (0) 20 3004 9512

(Financial media and PR)

Charles Goodwin

Shivantha Thambirajah

Bessie Elliot

**Acquisition of Creed Catering Supplies Limited and proposed Capital Raising**

**Information on Creed**

Founded in 1972, Creed is one of the UK's leading foodservice wholesalers. The business is headquartered in Cheltenham with operations in Gloucestershire, Buckinghamshire and Derbyshire.

Creed has built up a loyal customer base across a variety of sectors including destination leisure and hospitality, care and education, many of which Creed has held decade-long relationships. In the financial year ended December 2023, the top five customers of Creed accounted for approximately 43 per cent. of revenue.

Creed is a founding member of the Country Range buying group, of which Kitwave is also a member, from which it sources approximately 50 per cent. of its products, with the remaining products sourced from national manufacturers, craft producers and its own butchers and produce range.

Creed recorded LTM May 2024 revenues of £130.2 million, EBITDA of £10.2 million and adjusted operating profit of £8.3 million<sup>4</sup>. Creed reported an audited revenue of £124.2 million, operating profit of £7.8 million, profit before tax of £7.8 million and net assets of £13.4 million for the financial year ended 31 December 2023 (being the date of the last filed audited accounts of Creed). As at 31 May 2024, Creed had unaudited net assets of £15.8 million including freehold land and buildings of £3.4 million and net cash of £1.5 million.

**Strategic rationale for the Acquisition**

The Directors believe that the Acquisition has strong strategic rationale for the Group due to the following reasons:

### *High-quality management*

Creed has long serving entrepreneurial management who share Kitwave's ambition to grow a national foodservice business of scale.

### *Geographic expansion*

Creed's delivery network footprint compliments Kitwave's existing foodservice and wider tri temperature network. The Acquisition allows Kitwave to create a fully integrated national delivery network, while creating further opportunities to organically grow the enlarged foodservice business.

### *Financial synergies and opportunities*

The Acquisition is expected to deliver financial synergies of not less than £1.0 million through logistical synergies, improved purchasing power and identified cost savings.

### *Enhance further organic growth opportunities*

The enlarged national infrastructure, with integrated delivery model, that Creed brings to Kitwave is expected to bring further organic revenue opportunities to the enlarged Group.

### *Financial scale*

The enlarged Group based on the LTM Creed management accounts to 31 May 2024 (pre IFRS adjustments)<sup>4</sup> and the financial expectations for Kitwave for the year ending 31 October 2024<sup>5</sup> would have a combined revenue of over £800 million and adjusted operating profit of over £42 million. Creed will significantly increase the scale of Kitwave's food service division, therefore moving forwards the enlarged Group is expected to achieve enhanced operating margins compared to the past performance of Kitwave on a standalone basis.

## **Principal terms of the Acquisition**

On 24 September 2024, the Group entered into a sale and purchase agreement to acquire the entire issued share capital of Creed (the "**Sale Agreement**"). The consideration for sale comprises £60.0 million in cash, with up to a further £10.0 million in cash payable over two years dependent on certain performance targets being achieved. Additional consideration of £1.16 million is expected to be payable under a locked-box mechanism to account for current levels of working capital in Creed. Accordingly, the maximum consideration payable for the Acquisition is £71.16 million.

The Sale Agreement is conditional upon the Company being in receipt of the net proceeds of the Capital Raising and having met certain conditions precedent under the Group's banking facilities. The Sale Agreement provides for certain circumstances whereby the Group may terminate it prior to Completion.

The Sale Agreement contains customary warranties, undertakings and restrictive covenants for a transaction of this nature.

Completion is expected to occur on or around 27 September 2024, following settlement of the Capital Raising and the conditions within the Sale Agreement being met.

In the unlikely event that the Sale Agreement is terminated before Completion, the Company will retain the net proceeds of the Capital Raising for the Group's general working capital purposes and/or to finance other acquisition and investment opportunities that may arise.

## **Financing of the Acquisition**

The initial cash consideration payable under the Acquisition is being financed by £29.0 million from the Group's banking facilities, with the balance via the Capital Raising. The Group has in place a Revolving Credit Facility (the "**RCF**") and a Confidential Invoice Discounting Facility (the "**CID**" and together with the RCF, the "**Facilities**"). Current drawdown limits on the RCF and the CID are £20.0 million and £38.0 million respectively.

As part of the Acquisition, the Group will be increasing the draw down limit on the RCF to £40.0 million and the CID to £55.0 million. The RCF will be fully drawn on Completion. The CID facility will be drawn as required with the Group's debtor book being available to draw as part of Completion.

The covenants in the Facilities will remain unchanged as follows:

- Adjusted leverage: net debt (including IFRS 16 lease liabilities) not to exceed three times the LTM EBITDA. It should be noted that this covenant allows for the inclusion of pro forma profitability for any acquired Group companies during the period.
- Interest cover: EBITDA to net finance charges shall not be less than four times.

Both Facilities will have a four year term, with an ability to extend for one year thereafter.

The enlarged Group is expected to have average leverage below 2.5x on a pro forma basis in the financial year

ending 31 October 2025, falling to less than 2.0x as at 31 October 2025 (under 1.5x leverage on an ex IFRS16 basis).

### **Current trading**

As announced by the Company on 3 September 2024, the Group remains confident of delivering financial results in line with consensus market expectations for the full year ending 31 October 2024<sup>5</sup>.

The Company's board of directors (the "**Directors**" or the "**Board**") has a progressive dividend policy that has the intention to pay a total annual dividend of between 40 per cent. and 50 per cent. of profit after tax. The Company has historically stated that in years where the Group incurs higher cash outflows through its investment activity in merger and acquisitions or infrastructure capital expenditure, the aggregate annual dividend is likely to be at the lower end of the range. For those years where there is no investment the annual dividend is likely to be at the higher end of the range.

Due to the Acquisition occurring at the end of the Group's financial year, Creed's contribution to the enlarged Group's performance for the 12 month period ending 31 October 2024 will be limited on a reported basis. Further, the Group will have to recognise the costs of the Acquisition which will impact the reported profit after tax during the current financial year.

The Board is committed to a progressive dividend and believes it is valued by both retail and institutional investors. As a consequence the Board recognises that for the financial year ending 31 October 2024 the Group may pay a total annual dividend marginally above 50 per cent. of its reported profit after tax for the financial year in order to maintain the Company's track record since its IPO of paying a progressive dividend. Further details on the dividend for the current financial year will be contained in the final financial results of the Group for the 12 month period ending 31 October 2024 upon publication.

### **Details of the Capital Raising**

#### *Placing*

The Company is proposing to raise up to £31.0 million (before commissions, fees and expenses) by means of the Placing. The Placing Shares will represent approximately 14.5 per cent. of the Existing Ordinary Shares. The aggregate net proceeds after costs related to the Placing are expected to be approximately £29.5 million.

The Appendix sets out further information relating to the Bookbuilding Process and the terms and conditions of the Placing. Persons who have chosen to participate in the Placing, by making an oral, electronic or written offer to acquire Placing Shares, will be deemed to have read and understood this Announcement in its entirety (including the Appendix) and to be making such offer on the terms and subject to the conditions herein, and to be providing the representations, warranties, agreements, acknowledgements and undertakings contained in the Appendix.

Canaccord Genuity will commence the Bookbuilding Process immediately following the publication of this Announcement. The number of Placing Shares to be issued will be determined at the close of the Bookbuilding Process.

The Company acknowledges that it is seeking to issue new Ordinary Shares in excess of 10 per cent. of its existing issued ordinary share capital on a non-pre-emptive basis, in line with its existing authorities. The Board has chosen this structure to minimise costs and reduce the time to completion of the Placing, as well as incorporating a Retail Offer alongside the non-pre-emptive issue to broaden participation in the Capital Raising as a whole.

The book will open with immediate effect following this Announcement. The timing of the closing of the Bookbuilding Process and allocations are at the absolute discretion of Canaccord Genuity and the Company. Details of the number of Placing Shares will be announced as soon as practicable after the close of the Bookbuilding Process. The Placing is being underwritten as to settlement risk only by Canaccord Genuity.

Stephen Smith, Non-Executive Chairman, and Gerard Murray, Non-Executive Director, intend to participate in the Placing.

#### *Retail Offer (to be conducted via PrimaryBid)*

In addition to the Placing, the Board is supportive of the Pre-Emption Group guidance that encourages companies to consider the inclusion of retail shareholders when issuing shares non-pre-emptively, the Company therefore intends to undertake an offer of up to £0.5 million, to be made via the PrimaryBid platform.

The Company intends to carry out the Retail Offer on the terms to be set out in a separate announcement to be made by the Company in due course. The Retail Offer is conditional upon, amongst other things,

Admission becoming effective on or before 8.00 a.m. on 27 September 2024 (or such later time and/or date as Canaccord Genuity may agree with the Company, being not later than 8.00 a.m. on 14 October 2024). The Retail Offer may not be fully subscribed and is not being underwritten. For the avoidance of doubt, the Retail Offer is not part of the Placing.

#### **Admission, settlement and CREST**

Application will be made to London Stock Exchange plc (the "**London Stock Exchange**") for admission of the New Ordinary Shares to trading on the AIM market ("**AIM**") of the London Stock Exchange ("**Admission**"). It is expected that Admission will take place on or before 8.00 a.m. on 27 September 2024 and that dealings in the New Ordinary Shares on AIM will commence at the same time.

The Placing is conditional upon Admission becoming effective and upon the Placing Agreement between the Company and Canaccord Genuity not being terminated in accordance with its terms.

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

Following Admission, assuming the full take up of the New Ordinary Shares pursuant to the Capital Raising, the Company will have 80,438,979 Ordinary Shares in issue, which would represent an increase of approximately 14.7 per cent. of the existing issued ordinary share capital of the Company.

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

The person responsible for arranging the release of this Announcement on behalf of the Company is David Brind, Chief Financial Officer of the Company.

*4. Based on Creed management accounts (pre IFRS adjustments) for the last 12 months ("**LTM**") to May 2024, including vendor due diligence adjustment for non-recurring shareholder costs and run rate of current expenses.*

*5. The current consensus market expectations for Kitwave for the 12 months ending October 2024 are £673.4 million of revenue, £44.7 million of adjusted EBITDA and £33.8 million of adjusted operating profit.*

#### **IMPORTANT NOTICES**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THE APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE "**EU PROSPECTUS REGULATION**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**"); WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED ("**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; AND (3) OTHERWISE, PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO COMMUNICATE IT TO (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

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

This Announcement or any part of it is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction in which the same would be unlawful. No public offering of the New Ordinary Shares is being made in any such jurisdiction.

All offers of the New Ordinary Shares in the United Kingdom or the EEA will be made pursuant to an exemption from the requirement to produce a prospectus under the UK Prospectus Regulation or the EU Prospectus Regulation, as appropriate. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not require the approval of the relevant communication by an authorised person.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South African Reserve Bank or any other applicable body in the Republic of South Africa in relation to the New Ordinary Shares; and the New Ordinary 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 the United States, Australia, Canada, the Republic of South Africa or Japan. Accordingly, the New Ordinary 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 United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction outside the United Kingdom or the EEA.

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

action.

By participating in the Bookbuilding Process and the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral, electronic or written and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix. Members of the public are not eligible to take part in the Placing and no public offering of Placing Shares is being or will be made.

This Announcement may contain, or may be deemed to contain, "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Canaccord Genuity Limited is authorised and regulated by the Financial Conduct Authority (the "**FCA**") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Bookbuilding Process and the Capital Raising, and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process or the Capital Raising or any other matters referred to in this Announcement.

Canaccord Genuity's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the Exchange and are not owed to the Company or to any director of the Company or to any other person.

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

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

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

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

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

#### **Information to Distributors**

#### **UK product governance**



#### *UK product governance*

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Product 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 New Ordinary 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 New Ordinary Shares may decline and investors could lose all or part of their investment; (b) the New Ordinary Shares offer no guaranteed income and no capital protection; and (c) an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Canaccord Genuity 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 New Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary 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 New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary 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 "EU Target Market Assessment"). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the New Ordinary Shares may decline and investors could lose all or part of their investment; the New Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Canaccord Genuity will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU 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 New Ordinary Shares.

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

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

IMPORTANT INFORMATION FOR INVITED PLACEEES ONLY REGARDING THE PLACING.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING

THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER **"ANNOUNCEMENT"**) ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA **"EEA"**), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (THE **EU PROSPECTUS REGULATION**) (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE **UK PROSPECTUS REGULATION**) WHO (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED **"ORDER"** (INVESTMENT PROFESSIONALS) OR (B) FALL WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; AND (3) OTHERWISE, PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO COMMUNICATE IT TO (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **"RELEVANT PERSONS"**).

THIS ANNOUNCEMENT AND THE INFORMATION IN IT 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 RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN KITWAVE GROUP PLC.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **"SECURITIES ACT"**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA) (**"UNITED STATES"** OR THE **"US"**) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE OF THE UNITED STATES **IN OFFSHORE TRANSACTIONS** WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

THIS ANNOUNCEMENT IS NOT FOR PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES. THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE OR SUBSCRIPTION 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 IS BEING MADE IN THE UNITED STATES.

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

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

All offers of the Placing Shares in the United Kingdom or the EEA will be made pursuant to an exemption from the requirement to produce a prospectus under the UK Prospectus Regulation or the EU Prospectus Regulation, as appropriate. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the **"FSMA"**) does not require the approval of the relevant communication by an authorised person.

FORMA / does not require the approval of the relevant communication by an authorised person.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained from the South African Reserve Bank or any other applicable body in the Republic of South Africa in relation to the Placing Shares and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of the United States, Australia, Canada, the Republic of South Africa or Japan. 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 United States, Australia, Canada, the Republic of South Africa or Japan or any other jurisdiction outside the United Kingdom or the EEA.

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

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

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

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

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) to Canaccord Genuity and the Company that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business; and
2. in the case of a Relevant Person in 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 or in circumstances in which the prior consent of Canaccord Genuity has 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, the offer of those Placing Shares to it is not treated under the UK Prospectus Regulation as having been made to such persons; and
3. in the case of a Relevant Person in a member state of the EEA (each a "**Relevant 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 a Relevant State other than Qualified Investors or in circumstances in which the prior consent of Canaccord Genuity has been given to the offer or resale; or
    - (ii) where Placing Shares have been acquired by it on behalf of persons in a Relevant

State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons; and

- 4 . it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
- 5 . it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
- 6 . except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 4 above) is outside of the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act; and
- 7 . the Company and Canaccord Genuity will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

#### **No prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require any prospectus or other offering document to be published. No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of (i) the information contained in this Announcement, (ii) any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of this Announcement and (iii) the business and financial information that the Company is required to publish in accordance with the AIM Rules and the Market Abuse Regulation (EU Regulation No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK MAR**") (together, the "**Publicly Available Information**") and subject to any further terms set out in the contract note, electronic trade confirmation or other (oral or written) confirmation to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of Canaccord Genuity or the Company or any other person and none of Canaccord Genuity, the Company nor any other person acting on such person's behalf nor any of their respective Representatives has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. No Placee should consider any information in this Announcement to be legal, tax or business advice. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

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

Canaccord Genuity has today entered into a Placing agreement (the "**Placing Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, Canaccord Genuity, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares. In accordance with the terms of the Placing Agreement, subject to the execution of the Results Agreement (as defined in the Placing Agreement) setting out the final number of Placing Shares, if Placees fail to take up their allocation of Placing Shares at the Issue Price, Canaccord Genuity agrees to take up such shares and the Company agrees to allot and issue such shares to Canaccord Genuity, at the Issue Price and on the terms set out in the Placing Agreement.

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

#### **Lock-up**

As part of the Placing, the Company has agreed that it will not for a period of 90 days after (but including) Admission, directly or indirectly, issue, offer, sell, lend, pledge, contract to sell or issue, grant any option, right or warrant to purchase or otherwise dispose of any Ordinary Shares (or any interest therein or in respect thereof) or other securities of the Company exchangeable for, convertible into or representing the right to

receive Ordinary Shares or any substantially similar securities or otherwise enter into any transaction (including derivative transaction) directly or indirectly, permanently or temporarily, to dispose of any Ordinary Shares or undertake any other transaction with the same economic effect as any of the foregoing or announce an offering of Ordinary Shares or any interest therein or to announce publicly any intention to enter into any transaction described above. This agreement is subject to certain customary exceptions and does not prevent the grant or exercise of options under any of the Company's existing share incentives and share option schemes, or following Admission the issue by the Company of any Ordinary Shares upon the exercise of any right or option or the conversion of a security already in existence.

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

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

It is expected that Admission will take place on or before 8.00 a.m. on 27 September 2024 and that dealings in the Placing Shares on AIM will commence at the same time.

#### **The Bookbuilding Process**

Canaccord Genuity will commence the Bookbuilding Process to determine demand for participation in the Placing by Placees immediately following the publication of this Announcement. 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.

Canaccord Genuity and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuilding Process as they may, in their sole discretion, determine.

#### **Principal terms of the Bookbuilding Process and Placing**

1. Canaccord Genuity is acting as bookrunner to the Placing, as agent for and on behalf of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by Canaccord Genuity to participate. Canaccord Genuity and any of its affiliates are entitled to enter bids in the Bookbuilding Process.
3. The price per Placing Share (the "**Issue Price**") is fixed at 305 pence and is payable to Canaccord Genuity (as agent for the Company) by all Placees whose bids are successful. The number of Placing Shares will be agreed between Canaccord Genuity and the Company following completion of the Bookbuilding Process. The number of Placing Shares will be announced by the Company (such announcement being the "**Placing Results Announcement**") following the completion of the Bookbuilding Process and the entry into the Placing Agreement by the Company and Canaccord Genuity.
4. To bid in the Bookbuilding Process, Placees should communicate their bid by telephone or email to their usual sales contact at Canaccord Genuity. Each bid should state the number of Placing Shares which a Placee wishes to acquire at the Issue Price. Bids may be scaled down by Canaccord Genuity on the basis referred to in paragraph 9 below. Canaccord Genuity is arranging the Placing as agent of the Company.
5. The Bookbuilding Process is expected to close on 24 September 2024 subject to the agreement of Canaccord Genuity and the Company. Canaccord Genuity may, in agreement with the Company, accept bids that are received after the Bookbuilding Process has closed. The Company reserves the right (upon agreement of Canaccord Genuity) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its discretion.
6. Each Placee's allocation will be determined by Canaccord Genuity in its discretion following consultation with the Company and will be confirmed to Placees either orally or by email by Canaccord Genuity. Canaccord Genuity may choose to accept bids, either in whole or in part, on the basis of allocations determined at its absolute discretion, in consultation with the Company, and may scale down any bids for this purpose on the basis referred to in paragraph 9 below.
7. The Company will release the Placing Results Announcement following the close of the Bookbuilding Process detailing the aggregate number of the Placing Shares to be issued.
8. Each Placee's allocation and commitment will be evidenced by a contract note, electronic trade confirmation or other (oral or written) confirmation issued to such Placee by Canaccord Genuity. The terms of this Appendix will be deemed incorporated in that contract note, electronic trade confirmation or other (oral or written) confirmation.
9. Subject to paragraphs 4, 5 and 6 above, Canaccord Genuity may choose to accept bids, either in whole or in part on the basis of allocations determined at its discretion and may scale down any bids for this

or in part, on the basis of allocations determined at its discretion and may scale down any bids for this purpose on such basis as it may determine or be directed. Canaccord Genuity may also, notwithstanding paragraphs 4, 5 and 6 above, subject to the prior consent of the Company:

- (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and
- (b) allocate Placing Shares after the Bookbuilding Process has closed to any person submitting a bid after that time.

10. A bid in the Bookbuilding Process will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with Canaccord Genuity's consent will not be capable of variation or revocation after the time at which it is submitted. Following Canaccord Genuity's oral or written confirmation of each Placee's allocation and commitment to acquire Placing Shares, each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Canaccord Genuity (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of Issue Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
11. Except as required by law or regulation, no press release or other announcement will be made by Canaccord Genuity or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
12. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "*Registration and Settlement*".
13. All obligations under the Bookbuilding Process and Placing will be subject to fulfilment of the conditions referred to below under "*Conditions of the Placing*" and to the Placing not being terminated on the basis referred to below under "*Termination of the Placing*".
14. By participating in the Bookbuilding Process, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
15. To the fullest extent permissible by law and applicable FCA rules and regulations, neither:
- (a) Canaccord Genuity;
  - (b) any of its Representatives; nor
  - (c) to the extent not contained within (a) or (b), any person connected with Canaccord Genuity as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of Canaccord Genuity),

shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither Canaccord Genuity nor any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of Canaccord Genuity's conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as Canaccord Genuity and the Company may agree. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and Canaccord Genuity shall have no liability to the Placees for any failure by the Company to fulfil those obligations.

### **Registration and Settlement**

If Placees are allocated any Placing Shares in the Placing they will be sent a contract note, electronic trade confirmation or other (oral or written) confirmation which will confirm the number of Placing Shares allocated to them, the Issue Price and the aggregate amount owed by them to Canaccord Genuity.

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

Settlement of transactions in the Placing Shares (ISIN: GB00BNYKB709) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST is expected to occur on 27 September 2024 (the "**Settlement Date**") in accordance with the contract note, electronic trade confirmation or other (oral or written) confirmation. 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 Canaccord Genuity may agree that the Placing Shares should be issued in certificated form. Canaccord Genuity reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as it deems necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in the jurisdiction in which a Placee is located.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 3 percentage points above the prevailing base rate of Barclays Bank plc as determined by Canaccord Genuity.

Subject to the conditions set out above, payment in respect of the Placees' allocations is due as set out below. Each Placee should provide its settlement details in order to enable instructions to be successfully matched in CREST.

The relevant settlement details for the Placing Shares are as follows:

CREST Participant ID of Canaccord Genuity:	805
Expected trade date:	25 September 2024
Settlement date:	27 September 2024
ISIN code for the Placing Shares:	GB00BNYKB709
Deadline for Placees to input instructions into CREST:	12.00 p.m. on 26 September 2024

Each Placee is deemed to agree that, if it does not comply with these obligations, Canaccord Genuity may sell any or all of the Placing Shares allocated to that Placee on their behalf and retain from the proceeds, for Canaccord Genuity's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the Issue Price and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on its behalf. By communicating a bid for Placing Shares, such Placee confers on Canaccord Genuity all such authorities and powers necessary to carry out such sale and agrees to ratify and confirm all actions which Canaccord Genuity lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note, electronic trade confirmation or other (oral or written) 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 United Kingdom stamp duty or stamp duty reserve tax. If there are any circumstances in which any United Kingdom stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interest and penalties relating thereto) is payable in respect of the allocation, allotment, issue, sale, transfer or delivery of the Placing Shares (or, for the avoidance of doubt, if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer or agreement to transfer Placing Shares), the Company shall not be responsible for payment thereof. Placees will not be entitled to receive any fee or commission in connection with the Placing.

#### **Conditions of the Placing**

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

The obligations of Canaccord Genuity under the Placing Agreement are, and the Placing is, conditional upon, *inter alia*:

- (a) none of the representations, warranties and undertakings on the part of the Company contained in the Placing Agreement being untrue, inaccurate or misleading at the applicable time (being the date on which the Placing Agreement is signed and Admission), by reference to the facts and circumstances then subsisting;
- (b) the Company complying with its obligations under the Placing Agreement to the extent that they fall to be performed on or before Admission;
- (c) the Company and Canaccord Genuity agreeing the final number of Placing Shares and executing the Results Agreement no later than 5.00 p.m. on the date of this Announcement (or such later time and/or date as Canaccord Genuity may agree with the Company);

- (d) the Company having allotted, subject only to Admission, the Placing Shares in accordance with the Placing Agreement; and
  - (e) Admission having become effective at or before 8.00 a.m. on 27 September 2024 or such later time as Canaccord Genuity may agree with the Company (not being later than 8.00 a.m. on 14 October 2024),
- (all conditions to the obligations of Canaccord Genuity included in the Placing Agreement being together, the "**Conditions**").

If any of the Conditions are not fulfilled or, where permitted, waived by Canaccord Genuity in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and Canaccord Genuity may agree), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placees' rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

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

Canaccord Genuity may, in its absolute discretion and upon such terms as it thinks fit, waive fulfilment of all or any of the Conditions in whole or in part, or extend the time provided for fulfilment of one or more Conditions, save that certain Conditions including the condition relating to Admission referred to above may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Canaccord Genuity may terminate the Placing Agreement in certain circumstances, details of which are set out below.

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

#### **Termination of the Placing**

Canaccord Genuity may, in its absolute discretion, by notice to the Company, terminate the Placing Agreement at any time up to Admission if, *inter alia*, in the opinion of Canaccord Genuity:

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

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

By participating in the Bookbuilding Process, each Placee agrees with the Company and Canaccord Genuity that the exercise by the Company or Canaccord Genuity of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or Canaccord Genuity or for agreement between the Company and Canaccord Genuity (as the case may be) and that neither the Company nor Canaccord Genuity need make any reference to such Placee and that none of the Company, Canaccord Genuity nor any of their respective Representatives shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise. Each Placee further agrees that they will have no rights against Canaccord Genuity, 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).

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "*Conditions of the Placing*" section above and will not be capable of rescission or termination by it after the issue by Canaccord Genuity of a contract note, electronic trade confirmation or other (oral or written) confirmation confirming each Placee's allocation and



commitment in the Placing.

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

By submitting a bid in the Bookbuilding Process, each Placee (and any person acting on such Placee's behalf) irrevocably confirms, represents, warrants, acknowledges and agrees (for itself and for any such prospective Placee) with the Company and Canaccord Genuity (in its capacity as bookrunner and Placing agent of the Company in respect of the Placing) that (save where Canaccord Genuity expressly agrees in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received and will not receive a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document:
  - (a) is required under the UK Prospectus Regulation or other applicable law; and
  - (b) has been or will be prepared in connection with the Placing;
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules for the Companies (the "**AIM Rules**") and the Market Abuse Regulation (EU Regulation No. 596/2014 as it applies in the United Kingdom as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK MAR**")), which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither Canaccord Genuity nor the Company nor any of their respective Representatives nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested Canaccord Genuity, the Company, any of their respective Representatives or any person acting on behalf of any of them to provide it with any such information;
5. neither Canaccord Genuity nor any person acting on behalf of it nor any of its Representatives has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6.
  - (a) the only information on which it is entitled to rely on and on which it has relied in committing to acquire the Placing Shares is contained in this Announcement and the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on the information in this Announcement and the Publicly Available Information;
  - (b) neither Canaccord Genuity, nor the Company (nor any of their respective Representatives) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information, nor will it provide any material or information regarding the Company, the Placing or the Placing Shares;
  - (c) it has conducted its own investigation of the Company, the Placing (including its terms and conditions) and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and

- (d) it has not relied on any investigation that Canaccord Genuity or any person acting on its behalf may have conducted with respect to the Company, the Placing or the Placing Shares;
7. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither Canaccord Genuity nor any persons acting on its behalf nor any of their respective Representatives is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
8. neither it nor the beneficial owner of the Placing Shares is, nor will, at the time the Placing Shares are acquired, be a resident of the United States, Australia, Canada, the Republic of South Africa or Japan;
9. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, the Republic of South Africa or Japan or in any country or jurisdiction where any such action for that purpose is required;
10. it may be asked to disclose in writing or orally to Canaccord Genuity: (i) if he or she is an individual, his or her nationality; or (ii) if he or she is a discretionary fund manager, the jurisdiction in which the funds are managed or owned;
11. it has the funds available to pay for the Placing Shares for which it has agreed to acquire and acknowledges and agrees that it will pay the total amount in accordance with the terms of this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other Placees or sold at such price as Canaccord Genuity determines;
12. it and/or each person on whose behalf it is participating:
- (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
  - (b) has fully observed such laws and regulations;
  - (c) has the capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
  - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its acquisition of Placing Shares;
13. 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 with an address in, or subject to the laws of, the United States, Australia, Canada, the Republic of South Africa or Japan, 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 the United States, Australia, Canada, the Republic of South Africa or Japan and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
14. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
15. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
16. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any

16. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
17. it understands that:
- ( a ) the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and will be subject to restrictions on resale and transfer subject to certain exceptions under US law;
  - (b) no representation is made as to the availability of the exemption provided by Rule 144 of the Securities Act for resales or transfers of Placing Shares; and
  - (c) it will not deposit the Placing Shares in an unrestricted depositary receipt programme in the United States or for US persons (as defined in the Securities Act);
18. it will not offer, sell, transfer, pledge or otherwise dispose of any Placing Shares except:
- ( a ) in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act; or
  - (b) pursuant to another exemption from registration under the Securities Act, if available,
- and in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;
19. no representation has been made as to the availability of the exemption provided by Rule 144, Rule 144A or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
20. it understands that the Placing Shares are expected to be issued to it through CREST but may be issued to it in certificated, definitive form and acknowledges and agrees that the Placing Shares may, to the extent they are delivered in certificated form, bear a legend to the following effect unless agreed otherwise with the Company:
- "THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR UNDER THE APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (B) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SECURITIES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE COMPANY'S SECURITIES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK. EACH HOLDER, BY ITS ACCEPTANCE OF THESE SHARES, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS.";
21. it is not taking up the Placing Shares as a result of any "general solicitation" or "general advertising" efforts (as those terms are defined in Regulation D under the Securities Act) or any "directed selling efforts" (as such term is defined in Regulation S under the Securities Act);
22. it understands that there may be certain consequences under United States and other tax laws resulting from an investment in the Placing and it has made such investigation and has consulted its own independent advisers or otherwise has satisfied itself concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws generally;
23. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
24. none of Canaccord Genuity, the Company nor any of their respective Representatives nor any person acting on behalf of any of them is making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Canaccord Genuity and that Canaccord Genuity has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or

warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any Conditions or exercise any termination right;

25. it will make payment to Canaccord Genuity for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as Canaccord Genuity determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the Placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
26. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
27. no action has been or will be taken by any of the Company, Canaccord Genuity or any person acting on behalf of the Company or Canaccord Genuity that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
28. the person who it specifies for registration as holder of the Placing Shares will be:
  - (a) the Placee; or
  - (b) a nominee of the Placee, as the case may be,and that Canaccord Genuity and the Company will not be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and Canaccord Genuity in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of Canaccord Genuity or transferred to a CREST stock account of Canaccord Genuity who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
29. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
30. if it is within the United Kingdom, it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
31. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or a Relevant State prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or within the meaning of the UK Prospectus Regulation, or an offer to the public in any member state of the EEA within the meaning of the EU Prospectus Regulation;
32. if it is within the United Kingdom, it is a Qualified Investor as defined in Article 2(e) of the UK Prospectus Regulation and if it is within a Relevant State, it is a Qualified Investor as defined in Article 2(e) of the EU Prospectus Regulation;
33. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Canaccord Genuity in its capacity as an authorised person under section 21 of the FSMA and it may not therefore be subject to the controls

business person under section 22 of the FCA Act and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;

34. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA and the UK MAR in respect of anything done in, from or otherwise involving the United Kingdom);
35. if it is a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in the United Kingdom other than Qualified Investors, or in circumstances in which the express prior written consent of Canaccord Genuity has been given to each proposed offer or resale;
36. if in the United Kingdom, unless otherwise agreed by Canaccord Genuity, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and it is acquiring Placing Shares for investment only and not with a view to resale or distribution;
37. if it has received any inside information (for the purposes of the UK MAR and section 56 of the Criminal Justice Act 1993 or other applicable law) about the Company in advance of the Placing, it warrants that it has received such information within the market soundings regime provided for in Article 11 of UK MAR and has not:
  - (a) dealt (or attempted to deal) in the securities of the Company or cancelled or amended a dealing in the securities of the Company;
  - (b) encouraged, recommended or induced another person to deal in the securities of the Company or to cancel or amend an order concerning the Company's securities; or
  - (c) unlawfully disclosed such information to any person, prior to the information being made publicly available;
38. Canaccord Genuity and its affiliates, acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, Canaccord Genuity and/or any of its affiliates acting as an investor for its or their own account(s). Neither Canaccord Genuity nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
39. it:
  - (a) has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and all related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof and the Money Laundering Sourcebook of the FCA (together, the "**Money Laundering Regulations**");
  - (b) is not a person:
    - (i) with whom transactions are prohibited under the US 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;
    - (ii) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or
    - (iii) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations or other applicable law,(together with the Money Laundering Regulations, the "**Regulations**") and if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Canaccord Genuity such

consequence of such failure, and it will provide promptly to Canaccord Genuity such evidence, if any, as to the identity or location or legal status of any person which it may request from it in connection with the Placing (for the purpose of complying with the Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Canaccord Genuity on the basis that any failure by it to do so may result in the number of Placing Shares that are to be acquired by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Canaccord Genuity may decide at its sole discretion;

40. in order to ensure compliance with the Regulations, Canaccord Genuity (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 Canaccord Genuity or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Canaccord Genuity's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at Canaccord Genuity'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 Canaccord Genuity (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either Canaccord Genuity 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;
41. its participation in the Placing would not give rise to an offer being required to be made by it, or any person with whom it is acting in concert, pursuant to Rule 9 of the City Code on Takeovers and Mergers;
42. any money held in an account with Canaccord Genuity on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Canaccord Genuity's money in accordance with the client money rules and will be used by Canaccord Genuity's in the course of its business; and the Placee will rank only as a general creditor of Canaccord Genuity;
43. Canaccord Genuity may choose to invoke the CASS Delivery Versus Payment exemption (under CASS 7.11.14R within the FCA Handbook Client Assets Sourcebook) with regard to settlement of funds, in connection with the Placing, should it see fit;
44. neither it nor, as the case may be, its clients expect Canaccord Genuity to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the COBS, and that Canaccord Genuity is not acting for it or its clients, and that Canaccord Genuity will not be responsible for providing the protections afforded to clients of Canaccord Genuity or for providing advice in respect of the transactions described in this Announcement;
45. it acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the contract note, the electronic trade confirmation or other (oral or written) confirmation 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 Canaccord Genuity's conduct of the Placing;
46. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of acquiring the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
47. it irrevocably appoints any duly authorised officer of Canaccord Genuity as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to acquire upon the terms of this Announcement;
48. the Company, Canaccord Genuity and others (including each of their respective Representatives) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to Canaccord Genuity on its own behalf and on behalf of the

Company and are irrevocable;

49. it is acting as principal only in respect of the Placing or, if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it:
- (a) is duly authorised to do so and it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts; and
  - (b) will remain liable to the Company and Canaccord Genuity for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person);
50. subject to acquiring any Placing Shares, it will be bound by the terms of the articles of association of the Company;
51. time is of the essence as regards its obligations under this Appendix;
52. 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 Canaccord Genuity;
53. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
54. the terms and conditions contained in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire Placing Shares pursuant to the Bookbuilding Process and/or the Placing and all non-contractual or other obligations arising out of or in connection with them, will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of such contract (including any dispute regarding the existence, validity or termination or such contract or relating to any non-contractual or other obligation arising out of or in connection with such contract), except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with interest chargeable thereon) may be taken by the Company or Canaccord Genuity in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, Canaccord Genuity and each 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 given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by Canaccord Genuity, the Company or each of their respective Representatives arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

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

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor Canaccord Genuity shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify Canaccord Genuity accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any

interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Canaccord Genuity in the event that either the Company and/or Canaccord Genuity have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to Canaccord Genuity for itself and on behalf of the Company and are irrevocable.

Canaccord Genuity Limited is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Bookbuilding Process and the Capital Raising, and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process or the Capital Raising or any other matters referred to in this Announcement.

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

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Canaccord Genuity may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with Canaccord Genuity, any money held in an account with Canaccord Genuity on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence this money will not be segregated from Canaccord Genuity's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

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

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

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

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

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

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

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