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20 May 2019

**AB Dynamics plc**  
("AB Dynamics", the "Company" or the "Group")

**Proposed Placing to raise up to £45.1 million via an accelerated bookbuild  
and  
Proposed Open Offer to raise up to £5 million**

AB Dynamics plc (AIM: ABDP) the designer, manufacturer and supplier of advanced testing systems and measurement products for the global automotive market, is pleased to announce that it is proposing to raise up to approximately £50.1 million, before expenses, by way of a Placing of up to £45.1 million and an Open Offer of up to £5 million (the "Transaction") at a price of 2200 pence per share (the "Issue Price"). The net proceeds of the Transaction will allow the Group to pursue its stated strategy for growth, further details on which are provided below.

The Placing will be conducted by way of an accelerated bookbuild process (the "Bookbuild") which will be launched immediately following this announcement (the "Announcement"), in accordance with the terms and conditions set out in the Appendix to this Announcement (the "Appendix"). Cantor Fitzgerald Europe is acting as sole bookrunner in connection with the Placing (the "Sole Bookrunner").

**KEY HIGHLIGHTS**

- Proposed Placing of up to £45.1 million (before expenses) with institutional shareholders and proposed Open Offer of up to £5 million (before expenses) with existing shareholders in each case at the Issue Price.
- The Company intends to use the net proceeds of the proposed Placing in support of the Company's stated strategy to finance potential acquisition opportunities, adding important production capacity and for ongoing working capital requirements.
- Any monies received under the Open Offer will be used to further support the Company's strategy, as well as for general working capital purposes.
- Cantor Fitzgerald Europe is acting as financial adviser, Sole Bookrunner and Broker in relation to the Placing and Open Offer.

- Completion of the Placing and Open Offer is subject, *inter alia*, to shareholder approval to enable the issue of the New Shares, which will be sought at a General Meeting of the Company expected to be held at 10.00 a.m. on 6 June 2019.

The final number of Placing Shares will be agreed by Cantor Fitzgerald Europe and AB Dynamics at the close of the Bookbuild, and the result of the Placing will be announced as soon as practicable thereafter. The timing for the close of the Bookbuild and allocation of the Placing Shares shall be at the discretion of Cantor Fitzgerald Europe in consultation with the Company. The Placing is not underwritten.

In addition, in order to provide Shareholders who do not take part in the Placing with an opportunity to participate in the proposed issue of New Shares, the Company is providing all Qualifying Shareholders with the opportunity to subscribe for Open Offer Shares, to raise up to a further £5 million (before expenses), on the basis of 1 Open Offer Share for every 86.5021363 Ordinary Shares held on the Record Date, at the Issue Price. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through the Excess Application Facility. The Open Offer is not underwritten.

The issue of the Placing Shares and the Open Offer Shares are conditional, *inter alia*, on the passing by Shareholders of a resolution at the General Meeting of the Company, which is expected to be convened for 10.00 a.m. on 6 June 2019. Application will be made to the London Stock Exchange for the Placing Shares and the Open Offer Shares to be admitted to trading on AIM. Admission is expected to become effective and dealings in such shares are expected to commence at 8.00 a.m. on 7 June 2019.

The New Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

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

A circular containing further details of the Placing and Open Offer and convening the General Meeting and containing the application form is expected to be despatched to shareholders following completion of the Bookbuild and will thereafter be available on the Company's website at [www.abdynamics.com](http://www.abdynamics.com).

**Enquiries:****AB Dynamics plc**

01225 860 200

Tony Best, Non-Executive Chairman  
Dr James Routh, Chief Executive Officer  
Mat Hubbard, Chief Technology Officer  
Rob Hart, Chief Financial Officer

**Cantor Fitzgerald Europe (Financial Adviser and Sole Bookrunner)**

0207 894 7000

Phil Davies, David Foreman (Corporate Finance)  
Caspar Shand Kydd, Keith Dowsing, Arthur Gordon (Equity Sales)

**Cairn Financial Advisers (Nomad)**

Tony Rawlinson  
Liam Murray  
Richard Nash

0207 213 0880

**Tulchan Communications**

0207 353 4200

James Macey White  
Matt Low  
Deborah Roney

The person responsible for arranging the release of this information is Dr James Routh, CEO of the Company.

**Overview of AB Dynamics plc**

AB Dynamics is a leading designer, manufacturer and provider of advanced products for testing of Advanced Driver Assistance Systems ("ADAS") technology, autonomous vehicle development and vehicle dynamics to the global automotive research and development sector.

The Group is headquartered in Bradford-on-Avon, UK, employing approximately 187 staff. AB Dynamics currently supplies all the top automotive manufacturers, Tier 1 suppliers and service providers, who routinely use the Group's products to test vehicle safety and dynamics.

## **ADDITIONAL INFORMATION**

### **Background to the Transaction and Use of Proceeds**

Alongside the announcement of the interim results for the six month period ended 28 February 2019, the Board outlined an updated strategy for the next phase of the Company's growth, building on the existing foundations in order to fully capture the numerous market opportunities while leveraging core strengths.

In the Board's view, the ongoing regulatory environment and consumer demand for safety, which are driving technological advancements in global mobility requirements, provide a highly supportive market backdrop to the Group's activities.

During recent years, there has been significant investment in, inter alia, the Company's operational capabilities, new product development, the overseas footprint and state of the art facilities; in mid-2018, the Company's new 3,070m<sup>2</sup> factory and headquarters in Bradford on Avon became fully operational. The Board is wholly committed to continuing this investment and, as set out in more detail below, has allocated a substantial proportion of the Group's existing cash resources to build a simulation centre of excellence adjacent to the existing facilities.

The Board intends to use the net proceeds of the Transaction in support of the updated strategy, as further described below, including to finance potential acquisition opportunities, adding important production capacity and for ongoing working capital requirements.

Turning to the updated strategy, the five key priorities are set out below:

#### **i. New Product Development**

Following an extensive review of the trends, drivers and needs within our selected addressable markets and an assessment of the Group's competitive position, we have developed an extensive Product & Technology roadmap. This roadmap supports the growth ambitions of the Board through disciplined and targeted investment and is a key foundation of the strategy.

The market and regulatory growth drivers in Advanced Driver Assistance Systems ("ADAS") and autonomous vehicle technology remain favourable. Ongoing development of regulation and legislation, consumer demands for active safety, incremental introduction of ADAS technology and the limits of current autonomous technologies supports increased investment in our product portfolio and provides us with confidence in the long-term demand for our products. Our planned new product launches include a combination of new products and an evolution of existing products as testing requirements become more complex.

#### **ii. Capability & Capacity**

A key element of the updated strategy is to ensure that appropriate levels of capability and capacity are available to meet the future growth demands of the business in terms of human resources, facilities, infrastructure, manufacturing capability and Business Management Systems (IT). We have identified clear investment requirements for these areas of development based on the planned growth profile over the strategic review cycle.

The Company has now received full planning permission for a new 2,846m<sup>2</sup> facility adjacent to our existing main building (the "North Site"). This new facility will be used as a simulation centre of

excellence and engineering research and development, and is expected to be ready for occupation in the second half of 2020. In addition, the Board continues to assess the Group's ongoing requirements for further production facilities.

The Board has also identified a need for a new integrated Business Management System incorporating enterprise resource planning (ERP), customer relationship management (CRM), finance and operations to facilitate the successful delivery of the Group's growth strategy.

### iii. International Footprint

As a global business supplying advanced engineering solutions to a demanding blue-chip client base, it is important to have a local presence to provide the Service and Support element envisaged in our updated strategy. We have already commenced operations from new facilities in Germany and the US and as part of our planned international expansion, we intend to establish AB Dynamics operations in other key markets, particularly Asia.

Our sales strategy is evolving to address selected key markets through direct sales by establishing sales resources in our international locations, supported by a strengthened sales function in the UK through a combination of recruitment, training and IT systems.

Having international AB Dynamics locations will allow us to build closer relationships and partnerships with our customers and in particular our key accounts in order to meet their continually evolving requirements.

### iv. Service and Support

We recently delivered our 1000th driving robot system and our overall installed base of products is increasing rapidly in all our key markets. The Directors believe that as regulation and the sophistication and integration of AB Dynamics' products increases, customers will need greater levels of local service and support. Customers require timely technical support and provision of services such as spares, maintenance, calibration, training and on-site technical support and this will form part of our ongoing development.

This is an evolution of the existing AB Dynamics operating model and is expected to provide enhanced earnings visibility as we provide additional value adding services.

### v. Acquisitive Growth

Although the strategic plan is based on delivering long term, sustainable organic growth, the Board believes that selective acquisitions could provide an expedited route to growth. This may be to accelerate and de-risk product and technology development, broaden our geographic footprint or product offering or to assist vertical integration. Any acquisition activity would be highly targeted against defined strategic, operational, financial and cultural criteria before being considered. AB Dynamics will seek to develop the additional internal skills and capabilities required to support any acquisition activity.

The Board believes that it is prudent to seek additional funding to support all aspects of the strategic plan in order to capitalise on opportunities for organic growth. The Board has developed a pipeline of attractive potential acquisitions, which are progressing at varying rates and are at different stages of assessment. In the Board's view it is important that the Group is well positioned to execute those potential transactions that should deliver enhanced shareholder value.

The potential acquisition opportunities currently under more detailed consideration are at an early stage and the Board currently considers that if such acquisitions were completed then they would likely utilise the majority of the net proceeds of the Placing.

There can be no certainty that any of these acquisition opportunities will proceed to completion. In such circumstances, the proceeds of the Placing, together with any monies received via the Open Offer, would be used in support of other acquisition opportunities that might arise and otherwise in pursuing the other strategic aims described at paragraphs i. to iv. above over the short to medium term.

### **Current Trading and Prospects**

The Company announced its interim results for the six month period ended 28 February 2019 on 24 April 2019. Financial highlights for the period included an increase in revenue by 69% to £25.8 million (H1 2018: £15.3 million), a profit before tax increase of 95% to £6.4 million (H1 2018: £3.3 million) and basic earnings per share increase of 130% to 28.36p (H1 2018: 12.35p). At an operational level, the Group has developed an updated strategy for growth, seen significant improvement in manufacturing efficiency resulting in reduced delivery lead times and grown internationally with the establishment of AB Dynamics GmbH in Germany and more recently with the establishment of AB Dynamics Inc. in Detroit. The Board are also investigating the provision of direct support operations in Asia to complement and assist the Group's existing Asia representatives.

AB Dynamics' principal markets remain significant and are forecast to continue growing strongly. There are various advisory groups and regulatory growth drivers supporting this, including Euro NCAP (which is widely regarded as having led OEM standards ahead of regulations in Europe) now focusing on active safety and scenario testing of ADAS features and EU regulations (which were last updated in 2009) are expected to introduce requirements for various ADAS features to be mandatory by 2022.

The Society of Automotive Engineers has defined 6 Levels of autonomy: Level 0 translates to complete control by the driver; Levels 1-2 include existing ADAS features; for Level 3 and above, the full dynamic driving task can be undertaken by the vehicle, including monitoring of the environment as well as lateral and longitudinal control. Level 5 corresponds to complete autonomy, with no input required by the driver. The UK Centre for Connected and Autonomous Vehicles commissioned a report in 2017 which forecast the global market for Level 3 to 5 associated technologies rising from £4bn in 2020 to £63bn in 2035.

The Board is of the opinion, shared by several industry commentators, that driving automation systems for Level 4 and 5 autonomous vehicles will take longer and cost more than originally expected. The Board also see the industry focusing currently more on real world testing with Level 2 and Level 3 autonomous systems. This means the core addressable active safety market of AB Dynamics should be more important and for a longer period of time.

In addition, there is an active shift in testing by way of simulation due to immediate time and cost savings from a reduced need for physical testing and also the resultant accelerated route to market of new models. The Board believes that its ADAS testing equipment and simulator offering position the Group well with OEMs and other customers.

## Details of the Transaction

The Company is proposing to raise up to £45.1 million (before expenses) by way of a Placing of up to 2,050,000 Placing Shares at 2200 pence per Placing Share. Alongside the Placing, the Company is making an Open Offer pursuant to which it may raise a further amount of up to £5 million (before expenses). The proposed Issue Price of 2200 pence per Open Offer Share is the same price as the price at which New Shares are being issued pursuant to the Placing.

### **Placing**

Pursuant to the terms of the Placing and Open Offer Agreement, Cantor Fitzgerald Europe, as agent for AB Dynamics, has conditionally agreed to use reasonable endeavours to place the Placing Shares at the Issue Price with existing Shareholders and other institutional investors, representing gross proceeds of £45.1 million if the Placing Shares are fully subscribed. The Placing, which will be conducted by way of an accelerated bookbuild process which will be launched immediately following this Announcement, will comprise up to 2,050,000 Placing Shares.

The Placing is conditional, *inter alia*, on the following:

- i. Resolution 1 being passed at the General Meeting;
- ii. the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and becoming unconditional in all respects; and
- iii. Admission of the Placing Shares having become effective on or before 8 a.m. on 7 June 2019 (or such later date and/or time as the Company, Cantor Fitzgerald Europe and Cairn may agree not being later than 28 June 2019).

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares in issue at that time, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Placing Shares are not subject to clawback and are not part of the Open Offer. The Placing is not underwritten.

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

### **Open Offer**

Subject to the fulfilment of the conditions set out below (and as further detailed in the Circular), Qualifying Shareholders may subscribe for Open Offer Shares in proportion to their holding of Existing Ordinary Shares held on the Record Date. Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares as an Excess Entitlement, up to the total number of Open Offer Shares available to Qualifying Shareholders under the Open Offer. The Open Offer is not underwritten.

The Open Offer is conditional, *inter alia*, on the following:

- i. Resolution 1 being passed at the General Meeting;

- ii. the Placing and Open Offer Agreement not being terminated prior to Admission of the Placing Shares and having become unconditional in all respects; and
- iii. Admission of the Open Offer Shares becoming effective on or before 8.00 a.m. on 7 June 2019 (or such later date and/or time as the Company, Cantor Fitzgerald Europe and Cairn may agree, being no later than 28 June 2019).

The allotment and issue of the Open Offer Shares is conditional on Admission of the Placing Shares but the Placing is not conditional on Admission of the Open Offer Shares; if the Placing does not complete, then the Open Offer will also not complete. However, if the Open Offer does not complete, then this will not prevent the Placing from completing.

#### *Basic Entitlement*

On, and subject to the terms and conditions of the Open Offer, the Company invites Qualifying Shareholders to apply for their Basic Entitlement of Open Offer Shares at the Issue Price. Each Qualifying Shareholder's Basic Entitlement has been calculated on the following basis:

#### **1 Open Offer Share for every 86.5021363 Existing Ordinary Shares held at the Record Date**

Basic Entitlements will be rounded down to the nearest whole number of Ordinary Shares.

#### **General Meeting**

It is proposed that a General Meeting will be held at the offices of the Company at Middleton Drive, Bradford on Avon, Wiltshire, BA15 1GB on 6 June 2019 at 10.00 a.m. where the following Resolutions will be proposed:

**Resolution 1** is a special resolution to:

- (a) authorise the Directors to allot shares and to grant rights up to an aggregate nominal amount of £22,775 in respect of the Placing and Open Offer; and
- (b) authorise the Directors to allot shares and to grant rights up to an aggregate nominal amount of £22,775, being equal to 2,277,500 New Shares, on a non-pre-emptive basis for the purposes of the Placing and Open Offer.

The authorities to be granted pursuant to Resolution 1 shall expire on the date falling 3 months from the date of the passing of such resolution (unless renewed, varied or revoked by the Company prior to or on that date) and are in addition to the existing authorities granted at the Company's last annual general meeting on 6 December 2018.

**Resolution 2** is conditional upon the passing of Resolution 1 and Admission of the New Shares and is an ordinary resolution to authorise the Directors to allot shares in the Company up to an aggregate nominal amount of £73,189.12 representing approximately one-third of the Company's Enlarged Share Capital (assuming the New Shares are issued in full and there are no further exercises of options under the Option Schemes prior to Admission of the New Shares).

**Resolution 3** is conditional on the passing of the Resolutions 1 and 2 and Admission of the New Shares and is a special resolution to allot equity securities (as defined in the Act) for cash otherwise than to existing shareholders pro rata to their holdings. This authority is limited to the allotment of



(a) equity securities in connection with a rights issue or other pre-emptive offer; and (b) equity securities up to an aggregate nominal amount of £21,956.74 representing approximately 10 per cent. of the Company's Enlarged Share Capital (assuming the New Shares are issued in full and there are no further exercises of options under the Option Schemes prior to Admission of the New Shares).

The authorities to be granted pursuant to Resolutions 2 and 3 shall expire on the earlier of the date falling 15 months from the date of the passing of such resolution and the next annual general meeting of the Company (unless renewed, varied or revoked by the Company prior to or on that date) and are in substitution for the existing authorities granted at the Company's last annual general meeting held on 6 December 2018. The Directors have no present intention to use the authorities to be conferred by Resolutions 2 and 3 but consider that it is prudent and desirable that the Company be granted these authorities.

### **Irrevocable commitments**

The Directors (or persons connected with the Directors within the meaning of sections 252 – 255 of the Act), who in aggregate hold 6,185,411 Existing Ordinary Shares, representing approximately 31.4 per cent. of the existing issued ordinary share capital of the Company, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting and not to subscribe for any Open Offer Shares.

Anthony Best (Non-executive Chairman), Robert Hart (Chief Financial Officer), Matthew Hubbard (Chief Technology Officer) and Bryan Smart (Non-Executive Director) have undertaken not to participate in the Open Offer.

### **Risk Factors and Additional Information**

The Circular, which is expected to be posted to Shareholders later today, also contains a number of risk factors and additional information on the Open Offer and the Company.

## Expected Timetable of Principal Events

Record Date for entitlements under the Open Offer	Close of business	17 May 2019
Announcement of the proposed Placing and Open Offer	7.00 a.m.	20 May 2019
Ex-entitlement Date of the Open Offer	7.00 a.m.	20 May 2019
Announcement of the result of the Placing and publication and posting of the Circular (including Notice of General Meeting), Application Forms and Forms of Proxy		20 May 2019
Open Offer Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	As soon as possible after 8:00 a.m.	21 May 2019
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess Entitlements from CREST	4:30 p.m.	30 May 2019
Latest time and date for depositing Open Offer Entitlements and Excess Entitlements into CREST	3:00 p.m.	31 May 2019
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m.	3 June 2019
Latest time and date for receipt of Forms of Proxy	10:00 a.m.	4 June 2019
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)</b>	11:00 a.m.	5 June 2019
<b>Announcement of result of Open Offer</b>		6 June 2019
<b>General Meeting</b>	10:00 a.m.	6 June 2019
<b>Announcement of the results of the General Meeting</b>		6 June 2019
<b>Admission and commencement of dealings in Placing Shares and Open Offer Shares</b>	8:00 a.m.	7 June 2019
Despatch of definitive share certificates for the New Shares in certificated form	Within 10 business days of Admission	

## DEFINITIONS

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

Act	the Companies Act 2006 (as amended)
ADAS	Advanced Driver Assistance Systems
Admission	Admission of the Placing Shares and/or the Open Offer Shares (as appropriate) to trading on AIM becoming effective in accordance with the AIM Rules
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies governing the admission to and operation of AIM published by the London Stock Exchange as amended from time to time
Application Form	the application form relating to the Open Offer and to be enclosed with the Circular for use by Qualifying non-CREST Shareholders
Articles	the articles of association of the Company in force at the date of this Announcement
Basic Entitlement(s)	the <i>pro rata</i> entitlement for Qualifying Shareholders to subscribe for Open Offer Shares, pursuant to the Open Offer
Board or Directors	the directors of the Company, as at the date of this Announcement
Cairn	Cairn Financial Advisers LLP, the Company's Nominated Adviser
Cantor Fitzgerald Europe, Broker or Sole Bookrunner	Cantor Fitzgerald Europe, the Company's financial adviser, broker and sole bookrunner in respect of the Transaction
certificated or in certificated form	in relation to a share or other security, a share or other security that is not in uncertificated form, that is not in CREST

Circular	the circular to Shareholders to be despatched to Shareholders convening the General Meeting and containing details of the Open Offer
Company or AB Dynamics	AB Dynamics plc, a company incorporated in England and Wales with company number 08393914 whose registered office is at Middleton Drive, Bradford On Avon, Wiltshire, BA15 1GB
CREST	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades and the holding of uncertificated securities, operated by Euroclear, in accordance with the same regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001-No.3775), as amended
EEA	the European Economic Area
Enlarged Share Capital	the issued Ordinary Share capital of the Company immediately following the issue of the New Shares
EU	the European Union
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Excess Application Facility	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of the Basic Entitlement in accordance with the terms and conditions of the Open Offer
Excess Entitlement(s)	Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer
Ex-entitlement Date	the date on which the Existing Ordinary Shares are marked 'ex' for entitlement under the Open Offer being 20 May 2019
Existing Ordinary Shares	the 19,679,236 Ordinary Shares in issue as at the date of this Announcement being the entire issued share capital of the Company prior to the Transaction

FCA	the Financial Conduct Authority of the UK
Form of Proxy	the form of proxy which is to accompany the Circular for use in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company, to be held at 10.00 a.m. on 6 June 2019 at the offices of the Company at Middleton Drive, Bradford on Avon, Wiltshire, BA15 1GB
Group	together the Company and its subsidiary undertakings
ISIN	International Securities Identification Number
Issue Price	2200 pence per New Share
London Stock Exchange	London Stock Exchange plc
New Shares	up to 2,277,500 new Ordinary Shares to be issued pursuant to the Transaction (being the Placing Shares and the Open Offer Shares)
Notice of General Meeting	the notice convening the General Meeting to be set out at the end of the Circular
OEM	original equipment manufacturer
Open Offer	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Issue Price on the terms and conditions outlined in the Circular and, where relevant, in the Application Form
Open Offer Entitlements	entitlements for Qualifying Shareholders to subscribe for Open Offer Shares pursuant to the Basic Entitlement and the Excess Entitlement
Open Offer Shares	up to 227,500 New Shares to be issued pursuant to the Open Offer
Option Schemes	the AB Dynamics plc Enterprise Management Investment Share Option Plan, the AB Dynamics plc

Unapproved Share Option Plan and the AB Dynamics plc Company Share Option Plan, each dated 11 July 2016

Ordinary Shares

ordinary shares of one penny each in the capital of the Company having the rights and being subject to the restrictions contained in the Articles

Overseas Shareholders

Shareholders with registered addresses, or who are citizens or residents of, or incorporated in Restricted Jurisdictions

Placees

any person who agrees to subscribe for Placing Shares

Placing

the placing by Cantor Fitzgerald Europe, as agent of and on behalf of the Company, of Placing Shares at the Issue Price on the terms and subject to the conditions in the Placing and Open Offer Agreement

Placing and Open Offer Agreement

the conditional agreement dated 20 May 2019 between the Company, Cantor Fitzgerald Europe and Cairn, a summary of which is set out in this Announcement

Placing Shares	up to 2,050,000 New Shares to be issued pursuant to the Placing
Qualifying CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in uncertificated form in CREST
Qualifying non-CREST Shareholders	Qualifying Shareholders holding Existing Ordinary Shares which, on the register of members of the Company on the Record Date, are in certificated form
Qualifying Shareholders	holders of Existing Ordinary Shares other than Overseas Shareholders, whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in the Circular
Record Date	17 May 2019
Regulatory Information Service	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list on the website of the London Stock Exchange
Resolution	a resolution to be proposed at the General Meeting as set out in the notice of General Meeting
Restricted Jurisdictions	the United States, Australia, Canada, Japan, the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law
Securities Act	the United States Securities Act of 1933, as amended
Shareholders	registered holders of Ordinary Shares
Transaction	together, the Placing and Open Offer
UK	the United Kingdom of Great Britain and Northern Ireland
uncertificated or in uncertificated form	a share or other security recorded on the relevant register of the share or security concerned as being held

in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

US or United States

the United States of America, its territories and possessions, any state of the United States and the District of Columbia

A reference to £ is to pounds sterling, being the lawful currency of the UK.

A reference to \$ or US\$ is to United States dollars, being the lawful currency of the US.

A reference to € or Euro is to the lawful currency of the Euro area.



## **IMPORTANT NOTICE**

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

No action has been taken by the Company, Cantor Fitzgerald Europe, Cairn or any of their respective directors, officers, partners, agents, employees or affiliates that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this Announcement are required to inform themselves about and to observe any restrictions contained in this Announcement.

This Announcement is directed at and is only being distributed to: (A) persons in member states of the European Economic Area who are "qualified investors", as defined in article 2.1(e) of the Prospectus Directive (Directive 2003/71/EC), as amended (the "Prospectus Directive"), (B) if in the United Kingdom, persons who (i) have professional experience in matters relating to investments who fall within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") or fall within the definition of "high net worth companies, unincorporated associations etc" in article 49(2)(a) to (d) of the FPO and (ii) are "qualified investors" as defined in section 86 of the Financial Services and Markets Act 2000, as amended ("FSMA") or (C) persons to whom it may otherwise lawfully be communicated (each, a "Relevant Person"). No other person should act on or rely on this Announcement and persons distributing this Announcement must satisfy themselves that it is lawful to do so. By accepting the terms of this Announcement, you represent and agree that you are a Relevant Person.

This Announcement must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement or the Placing relate is available only to Relevant Persons and will be engaged in only with Relevant Persons. As regards all persons other than Relevant Persons, the details of the Placing set out in this Announcement are for information purposes only.

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

This Announcement is not being distributed by, nor has it been approved for the purposes of section 21 of FSMA by, a person authorised under FSMA. This Announcement is being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the Prospectus Directive) to be published.

The information contained in this Announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy, fairness or completeness.

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

Any indication in this Announcement of the price at which the Company's shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

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

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

This Announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by or on behalf of the Company (except to the extent imposed by law or regulations) Cantor Fitzgerald Europe or Cairn or by their affiliates or their respective agents, directors, officers and employees as to, or in relation to, the contents of this Announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on their behalf, the Company or any other person in connection with the Company, the Placing or Admission or for any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed. Each of Cantor Fitzgerald Europe, Cairn and their respective affiliates and agents disclaims to the fullest extent permitted by law all and any responsibility or liability whatsoever, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this Announcement or any such statement.

The New Shares to be issued pursuant to the Placing and Open Offer will not be admitted to trading on any stock exchange other than to trading on AIM.

The Appendix to this Announcement sets out the terms and conditions of the Placing. By participating in the Placing, each person who is invited to and who chooses to participate in the Placing by making or accepting an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and subject to the conditions set out in this Announcement and to be providing the representations, warranties, undertakings and acknowledgements contained in the Appendix.

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

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this Announcement.

## APPENDIX

### TERMS AND CONDITIONS OF THE PLACING

#### IMPORTANT INFORMATION ON THE PLACING FOR INVITED PLACEEES ONLY.

THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, AND THE INFORMATION CONTAINED HEREIN (TOGETHER THE "ANNOUNCEMENT") 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, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

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 IN THIS APPENDIX ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC, AS AMENDED FROM TIME TO TIME, AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "**PROSPECTUS DIRECTIVE**") ("**QUALIFIED INVESTORS**"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THIS ANNOUNCEMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED OR PROHIBITED BY LAW OR REGULATION. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX, DOES NOT ITSELF CONSTITUTE AN OFFER FOR THE SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY.

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES ABSENT REGISTRATION UNDER THE SECURITIES ACT OR AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND, IN EACH CASE, 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 OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN RELIANCE ON,

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, THE UNITED KINGDOM OR ELSEWHERE.

THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES LAWS AND REGULATIONS OF AUSTRALIA, CANADA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA, AND MAY NOT BE OFFERED, SOLD, RESOLD, OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN AUSTRALIA, CANADA, JAPAN OR THE REPUBLIC OF SOUTH AFRICA, OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION.

EACH PLACEE SHOULD CONSULT WITH ITS ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN THE PLACING SHARES. THE DISTRIBUTION OF THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS, AND ANY PERSON INTO WHOSE POSSESSION THIS ANNOUNCEMENT, ANY PART OF IT OR ANY INFORMATION CONTAINED IN IT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, SUCH RESTRICTIONS.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Sole Bookrunner will only procure investors who meet the criteria of professional clients and eligible counterparties.

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

Persons who are invited to and who choose to participate in the Placing by making an oral or written offer to acquire Placing Shares, including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given (the "**Placees**"), will be deemed: (i) to have read and understood this Announcement, including this Appendix, in its entirety; and (ii) to be participating and making an offer for Placing Shares on the terms and conditions and to be providing the representations, warranties, acknowledgements and undertakings, contained in this Appendix.

In particular each such Placee represents, warrants and acknowledges that:

- a) 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;
- b) it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it has authority to exercise, and is exercising, investment discretion and has authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement;
- c) 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
- d) if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, any 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 circumstances which may give rise to an offer of securities to the public other than an offer or resale to Qualified Investors in a member state of the EEA which has implemented the Prospectus Directive, or in circumstances in which the prior consent of the Sole Bookrunner has been given to each such proposed offer or resale.

#### **Details of the Placing and Open Offer Agreement, the Placing Shares and the Bookbuild**

Cantor Fitzgerald Europe is acting as broker and Sole Bookrunner in connection with the Placing and has entered into the Placing and Open Offer Agreement with the Company and Cairn under which it has conditionally agreed to use its reasonable endeavours to procure Placees to take up the Placing Shares, on the terms and subject to the conditions set out therein and in this Appendix. The Placing is not being underwritten.

Cantor Fitzgerald Europe will today commence the bookbuilding process to determine demand for participation in the Placing by potential Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

The Sole Bookrunner shall be entitled to effect the Placing by such alternative method to the Bookbuild as it may, in its absolute discretion following consultation with the Company, determine.

The Placing Shares will, as from the date when they are issued, be fully paid up and rank pari passu in all respects with the Existing Ordinary Shares then in issue.

#### **Application for listing and admission to trading**

Application will be made to the London Stock Exchange for the Placing Shares and the Open Offer Shares to be admitted to trading on AIM (“**Admission**”). On the assumption that, amongst other things, Resolution 1 is passed by Shareholders at the General Meeting, it is expected that Admission will become effective and that dealings in the Placing Shares and Open Offer Shares will commence at 8.00 a.m. on 7 June 2019.

#### **Participation in, and principal terms of, the Placing**

1. The Sole Bookrunner is arranging the Placing as agent of the Company for the purpose of procuring Placees at the Issue Price for the Placing Shares.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Sole Bookrunner. The Sole Bookrunner and its affiliates are entitled to enter bids as principal in the Bookbuild.
3. The final number of Placing Shares will be agreed between the Sole Bookrunner and the Company following completion of the Bookbuild. The final number of Placing Shares to be issued will be announced on a Regulatory Information Service following completion of the Bookbuild.
4. To bid in the Bookbuild, prospective Placees should communicate their bid by telephone or in writing to their usual sales contact at the Sole Bookrunner. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Issue Price. Bids may be scaled down on the basis referred to in paragraph 7 below.
5. The Bookbuild is expected to close no later than 4.30 p.m. (London time) on 20 May 2019, but may be closed earlier or later, at the discretion of the Sole Bookrunner. The Sole Bookrunner may, in agreement with the Company, accept bids (either in whole or in part) that are received after the Bookbuild has closed.
6. Each Placee's allocation will be confirmed to Placees orally by the Sole Bookrunner following the close of the Bookbuild, and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The terms of this Appendix are deemed to be incorporated in the form of confirmation. The Sole Bookrunner's oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of the Sole Bookrunner and the Company, pursuant to which such Placee agrees to acquire the number of Placing Shares allocated to it and to pay or procure payment of the relevant Issue Price in respect of such shares on the terms and conditions set out in this Appendix and in accordance with the Company's corporate documents.
7. Subject to paragraphs 3 and 4 above, after consultation with the Company as to the allocation of the Placing Shares to Placees, the Sole Bookrunner will, in effecting the Placing, determine the identity of the Placees and the basis of allocation of the Placing Shares.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in this Appendix and, after confirmation (oral or otherwise) by the Sole Bookrunner, will be legally binding on the Placee on behalf of which it is made and except with the Sole Bookrunner's consent will not be capable of variation or revocation after the time at which it is submitted. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to the Sole Bookrunner, to pay or procure payment to it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares that such Placee has agreed to acquire.
9. Except as required by law or regulation, no press release or other announcement will be made by the Sole Bookrunner 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.

10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations under the Bookbuild and Placing will be subject to fulfilment or (where applicable and permissible by law) waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing and Open Offer Agreement".
12. By participating in the Bookbuild, each Placee agrees 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 after confirmation (oral or otherwise) by the Sole Bookrunner.
13. To the fullest extent permissible by law, neither the Sole Bookrunner, the Company nor any of their respective affiliates or persons acting on behalf of any of them shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither the Sole Bookrunner, nor the Company, nor any of their respective affiliates or persons acting on behalf of any of them shall have any responsibility or liability (including to the extent permissible by law, any fiduciary duties) in respect of the Sole Bookrunner's conduct of the Bookbuild or of such alternative method of effecting the Placing as the Sole Bookrunner and the Company may agree. Nothing in this paragraph excludes liability of any person for fraud or fraudulent misrepresentation made by that person.

### **Conditions of the Placing**

The Placing is conditional upon the Placing and Open Offer Agreement becoming unconditional and not having been terminated in accordance with its terms. The Sole Bookrunner's and the Nomad's obligations under the Placing and Open Offer Agreement are conditional on certain conditions, including inter alia:

- a) the Company having complied with certain specified obligations under the Placing and Open Offer Agreement (to the extent such obligations fall to be performed prior to Admission) including the Company allotting, conditional on Admission, the Placing Shares subject to the Articles;
- b) Resolution 1 having been duly passed without amendment by the required majority at the General Meeting;
- c) the delivery by the Company to the Sole Bookrunner of certain documentary conditions precedent; and
- d) Admission of the Placing Shares occurring at 8:00 a.m. (London time) on 7 June 2019 (or such later time and/or date, not being later than 8:00 a.m. (London time) on 28 June 2019, as the Company, the Sole Bookrunner and Cairn may otherwise agree).

If: (i) any of the conditions contained in the Placing and Open Offer Agreement in relation to Admission, including those described above, are not fulfilled or (where applicable and permissible by



law) waived or extended in writing by the Sole Bookrunner and Cairn by the relevant time or date specified (or such later time or date as the Company, the Sole Bookrunner and Cairn may agree); or (ii) prior to Admission the Placing and Open Offer Agreement is terminated in accordance with its terms including, inter alia, in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by it in respect thereof.

The Sole Bookrunner and Cairn may, at their discretion, extend the time for satisfaction of, or, where applicable and permissible by law, waive compliance by the Company with, the whole or any part of certain of the Company's obligations in relation to the conditions in the Placing and Open Offer Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

The Sole Bookrunner shall have no liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision it may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Sole Bookrunner.

During the period of 40 days after the later of the commencement of the Placing and the closing of the Placing, the Placing Shares may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (other than Placing Shares sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act) and an offer or sale of the Placing Shares within the United States during this period by any dealer (whether or not participating in the Placing) may violate the registration requirements of the Securities Act, if such offer or sale is made otherwise than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the respective meanings given to them by Regulation S under the Securities Act.

#### **Right to terminate under the Placing and Open Offer Agreement**

Cantor Fitzgerald Europe may, after having to the extent practicable in the circumstances consulted with the Company and Cairn, at any time before Admission of the Placing Shares terminate the Placing and the Placing and Open Offer Agreement in accordance with its terms in certain limited circumstances including, inter alia, if:

- a) any statement contained in the Placing documents has, in the opinion of the Sole Bookrunner or Cairn (acting reasonably), been discovered to be materially untrue, incorrect or misleading; or
- b) there has, in the opinion of the Sole Bookrunner or Cairn (acting reasonably), been a material breach of any of the warranties or any other obligations on the part of the Company under the Placing and Open Offer Agreement which is material in the context of the Placing.

Cantor Fitzgerald Europe may also, after having to the extent practicable in the circumstances consulted with the Company and Cairn, terminate the Placing and Open Offer Agreement, in accordance with its terms if, at any time prior to Admission of the Placing Shares, inter alia, there happens, develops or comes into effect:

- (a) any occurrence of any kind which (by itself or together with any other such occurrence) in the Sole Bookrunner's or Cairn's reasonable opinion is likely to materially and adversely affect the market's position or prospects of the Group taken as a whole; or
- (b) any other crisis of international or national effect or any change in any currency exchange rates or controls or in any financial, political, economic or market conditions or in market sentiment which, in any such case, in the reasonable opinion of the Sole Bookrunner or Cairn is materially adverse to the Placing.

By participating in the Placing, Placees agree that the exercise by Cantor Fitzgerald Europe of any right of termination or other discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of Cantor Fitzgerald Europe (acting in accordance with the terms of the Placing and Open Offer Agreement) and that it need not make any reference to, or consult with, Placees and that it shall have no liability to Placees whatsoever in connection with any such exercise.

### **No Prospectus**

No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing.

Placees' commitments will be made solely on the basis of the information contained in this Announcement (including this Appendix) released by the Company today and subject to the further terms set forth in any contract note to be provided to individual Placees. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement (including this Appendix) and all other publicly available information previously published by the Company by notification to a Regulatory Information Service is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company or Sole Bookrunner or any other person and neither the Company nor the Sole Bookrunner nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Group in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraud or fraudulent misrepresentation by that person.

### **Registration and Settlement**

Settlement of transactions in the Placing Shares (ISIN: GB00B9GQVG73) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("CREST"). Subject to certain exceptions, the Sole Bookrunner and the Company reserve the right to require settlement for, and delivery of, the Placing Shares (or any part thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation in accordance with the standing arrangements in place with Cantor Fitzgerald Europe stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee to the Sole

Bookrunner and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions in respect of the Placing Shares that it has in place with Cantor Fitzgerald Europe.

It is expected that settlement for the Placing Shares will be on 7 June 2019 in accordance with the instructions set out in the trade confirmation.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Sole Bookrunner may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the Sole Bookrunner's account and benefit, an amount equal to the aggregate amount owed by the Placee. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax (together with any penalties) or other similar taxes imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf.

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

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes or duties (including any interests 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 of or agreement to transfer Placing Shares), neither the Sole Bookrunner or the Company shall be responsible for the payment thereof.

### **Representations, Warranties and Further Terms**

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

1. represents and warrants that it has read and understood the Announcement, including this Appendix, in its entirety and that its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. acknowledges that no offering document or prospectus has been or will be prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares;
3. acknowledges that the Placing does not constitute a recommendation or financial product advice and that the Sole Bookrunner has had no regard to its particular objectives, financial situation or needs;

4. acknowledges that none of the Sole Bookrunner, the Company, any of their respective affiliates, agents, directors, officers or employees has provided, nor will provide, it with any material regarding the Placing Shares or the Company other than this Announcement; nor has it requested any of the Sole Bookrunner, the Company, any of their respective affiliates or any person acting on behalf of any of them to provide it with any such information;
5. acknowledges that the Existing Ordinary Shares are listed on AIM and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices under the AIM Rules, which includes a description of the Company's business and the Company's financial information, including balance sheets and income statements, and that it is able to obtain or access such information, or comparable information concerning other publicly traded companies, in each case without undue difficulty;
6. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither the Sole Bookrunner, nor its affiliates or any person acting on behalf of it, has or shall have any liability for any information, representation or statement contained in, or omission from, this Announcement or any information previously published by or on behalf of the Company, pursuant to applicable laws, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire Placing Shares is contained in this Announcement and any information previously published by the Company by notification to a Regulatory Information Service, such information being all that such Placee deems necessary or appropriate and sufficient to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, or representations, warranties or statements made, by the Sole Bookrunner or the Company nor any of their respective affiliates, agents, directors, officers or employees and the Sole Bookrunner or the Company or any such affiliate, agent, director, officer or employee will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;
7. acknowledges and agrees that it may not rely, and has not relied, on any investigation that the Sole Bookrunner, any of its affiliates or any person acting on its behalf, may have conducted with respect to the Placing Shares or the Company, and none of such persons has made any representation, express or implied, with respect to the Company, the Placing Shares or the accuracy, completeness or adequacy of the information in this Announcement or any other publicly available information; each Placee further acknowledges that it has conducted its own investigation of the Company and made its own assessment of the Placing Shares and has received all information it believes necessary or appropriate in connection with its investment in the Placing Shares;
8. acknowledges that it has made its own assessment and has satisfied itself concerning the relevant tax, legal, currency and other economic considerations relevant to its investment in the Placing Shares;

9. acknowledges that none of the Sole Bookrunner, its affiliates nor any person acting on behalf of any of them has or shall have any liability for any information made publicly available by or in relation to the Company or any representation, warranty or statement relating to the Company or the Group contained therein or otherwise, provided that nothing in this paragraph excludes the liability of any person for fraud or fraudulent misrepresentation made by that person;
10. represents and warrants that (i) it is and, at the time the Placing Shares are subscribed for, will be outside the United States and subscribing for the Placing Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S; (ii) if acquiring the Placing Shares for the account of one or more other persons, it has full power and authority to make the representations, warranties, agreements, undertakings and acknowledgements herein on behalf of each such person; (iii) it is not acquiring the Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or as a result of any "general solicitation" or "general advertising" within the meaning of Rule 502(c) of Regulation D of the Securities Act; and (iv) it will not publish, distribute or transmit this Announcement or any other document or information related to the Placing, by any means or media, directly or indirectly, in whole or in part, in or into or from the United States;
11. acknowledges that it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold, resold or transferred, directly or indirectly, in or into or from the United States, except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
12. acknowledges that in making any decision to acquire Placing Shares it (i) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Placing Shares, (ii) will not look to the Sole Bookrunner for all or part of any loss it may suffer as a result of any such subscription or purchase, (iii) is experienced in investing in securities of this nature in this sector and is aware that it may be required to bear, and is able to bear, the economic risk of an investment in the Placing Shares, (iv) is able to sustain a complete loss of an investment in the Placing Shares and (v) has no need for liquidity with respect to its investment in the Placing Shares;
13. undertakes, unless otherwise specifically agreed with the Sole Bookrunner, that it is not and at the time the Placing Shares are acquired, neither it nor the beneficial owner of the Placing Shares will be, a resident of Australia, Canada, Japan or South Africa and further acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered, sold, transferred, delivered or distributed, directly or indirectly, in or into any of those jurisdictions;
14. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance service;

15. represents and warrants that it has complied with its obligations: (i) under the Criminal Justice Act 1993 and the Market Abuse Regulation (EU 596/2014); (ii) in connection with the laws of all relevant jurisdictions which apply to it and it has complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) and that it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations ((i), (ii), (a) and (b), together, the "**Regulations**") and rules and guidance on anti-money laundering produced by the FCA and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations; and it is permitted to subscribe for Placing Shares in accordance with the laws of all relevant jurisdictions which apply to it and it has complied, and will fully comply, with all such laws (including where applicable, the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017);
16. where a Placee is acting as agent for discretionary managed clients, the Sole Bookrunner and the Company acknowledge that:
  - (a) the Placee is acting at all times as agent for and on behalf of certain discretionary managed clients of whom it has discretionary management authority (the "Funds");
  - (b) the Placee shall have no liability as principal to acquire and pay for the Placing Shares allocated to it as agent for and on behalf of the Funds or in respect of each Fund's obligations under the Placing who will hold the Placing Shares through a custodian; and
  - (c) all representations, warranties and undertakings are given by the Placee as agent and not as principal.

For the avoidance of doubt, nothing in these terms and conditions is intended to create joint and several liability between the Funds. The Sole Bookrunner and the Company acknowledge and agree that any liabilities of a Fund incurred hereunder shall be limited to the property of that Fund and under no circumstances shall there be recourse to the assets of any other fund within the same umbrella as the Fund or any other Fund in respect of those liabilities;

17. represents and warrants that it is acting as principal only in respect of the Placing or, if it is acting for any other person it is duly authorised to do so and has full power to make the acknowledgments, warranties, representations, undertakings, and agreements herein on behalf of each such person;
18. if a financial intermediary, as that term is used in Article 3(2) of the EU Prospectus Directive, represents, warrants and undertakes that the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the

Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of the Sole Bookrunner has been given to the offer or resale;

19. represents, warrants and undertakes that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom, 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;
20. represents, warrants and undertakes that it has not offered or sold and will not, prior to Admission, offer or sell any Placing Shares to persons in the EEA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public (within the meaning of the Prospectus Directive) in any member state of the EEA;
21. represents, warrants and undertakes that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person;
22. represents, warrants and undertakes that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
23. represents and warrants, if in a member state of an Economic Area, unless otherwise specifically agreed with the Sole Bookrunner in writing, that it is a "Qualified Investor";
24. represents and warrants, if in the United Kingdom, that it is a person (i) having professional experience in matters relating to investments who falls within the definition of "investment professionals" in Article 19(5) of the Order or (ii) who falls within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order, or (iii) to whom this Announcement may otherwise lawfully be communicated;
25. acknowledges and agrees that no action has been or will be taken by either the Company or the Sole Bookrunner or any person acting on behalf of the Company or the Sole Bookrunner that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
26. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix)

and will honour such obligations and that, to the best of its knowledge and belief it has not taken any action or omitted to take any action which will or may result in the Sole Bookrunner, the Company or any of their respective directors, officers, agents, employees or advisers acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;

27. undertakes that it (and any person acting on its behalf) will make or procure payment in respect of the Placing Shares allocated to it in accordance with this Appendix on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other acquirers or sold as the Sole Bookrunner may in its sole discretion determine and without liability to such Placee, who will remain liable for any amount by which the net proceeds of such sale fall short of the product of the relevant Issue Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty, stamp duty reserve tax or other similar taxes (together with any penalties) which may arise upon such placing or sale of such Placee's Placing Shares;
28. acknowledges neither the Sole Bookrunner, nor any of its affiliates, agents, directors, officers or employees are 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 its participation in the Placing is on the basis that it is not and will not be a client of the Sole Bookrunner in connection with its participation in the Placing and that the Sole Bookrunner has no duty nor responsibility to it for providing the protections afforded to its clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing and Open Offer 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;
29. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither the Sole Bookrunner nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement;
30. acknowledges that these terms and conditions and any agreements entered into by it pursuant to the terms and conditions set out in this Appendix, and all non-contractual or other obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract (including any dispute regarding the existence, validity or termination of 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 or procure payment for the Placing Shares may be taken by either the Company or the Sole Bookrunner 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;
31. except as set out in clause 33 below, represents and warrants that it has neither received nor relied on any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) concerning the Company prior to or in connection with accepting the invitation to participate in the Placing and is not purchasing Placing Shares on the basis of material non-public information;



32. if it has received any 'inside information' (for the purposes of MAR and section 56 of the Criminal Justice Act 1993) in relation to the Company and its securities, confirms that it has received such information within the market soundings regime provided for in article 11 of MAR and associated delegated regulations and it has not: (i) dealt (or attempted to deal) in the securities of the Company; (ii) encouraged, recommended or induced another person to deal in the securities of the Company; or (iii) unlawfully disclosed inside information to any person, prior to the information being made publicly available;
33. represent, warrants and undertakes that its purchase of Placing Shares is in full compliance with applicable laws and regulations;
34. agrees that the Company, the Sole Bookrunner and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements, agreements, and undertakings which are given to the Sole Bookrunner on its own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company and the Sole Bookrunner to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein;
35. acknowledges that neither the Company nor the Sole Bookrunner owes any fiduciary or other duties to any Placee in respect of any acknowledgments, confirmations, undertakings, representations, warranties or indemnities in the Placing and Open Offer Agreement; and
36. acknowledges and agrees that its commitment to take up Placing Shares on the terms set out in this Announcement (including this Appendix) will continue notwithstanding any amendment that may now or in the 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 or the Sole Bookrunner's conduct of the Placing.

The foregoing representations, warranties, agreements, undertakings, acknowledgements and confirmations are given for the benefit of the Company as well as the Sole Bookrunner and are irrevocable.

The agreement to allot and issue Placing Shares to Placees (and/or to persons for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement also assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Sole Bookrunner will be responsible and the Placees shall indemnify the Company and the Sole Bookrunner on an after-tax basis for any stamp duty or stamp duty reserve tax paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Sole Bookrunner accordingly. Placees are advised to consult with their own advisers regarding the tax aspects of their subscription for Placing Shares.

The Company and the Sole Bookrunner are not liable to bear any transfer taxes that arise on a sale of Placing Shares subsequent to their acquisition by Placees or for transfer taxes arising otherwise than under the laws of the United Kingdom. Each Placee should, therefore, take its own advice as to whether any such transfer tax liability arises and notify the Sole Bookrunner accordingly. Furthermore, each Placee agrees to indemnify on an after-tax basis and hold the Sole Bookrunner and the Company and their respective affiliates harmless from any and all interest, fines or penalties in relation to stamp duty, stamp duty reserve tax and all other similar duties or taxes to the extent that such interest, fines or penalties arise from the default or delay of that Placee or its agent.

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

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

When a Placee or person acting on behalf of the Placee is dealing with the Sole Bookrunner, any money held in an account with the Sole Bookrunner 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 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 the Sole Bookrunner's money in accordance with the client money rules and will be used by the Sole Bookrunner in the course of its own business and the Placee will rank only as a general creditor of the Sole Bookrunner.

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