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ValiRx PLC
13 January 2023

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ValiRx PLC

("ValiRx" or the "Company")

Placing of 9,090,909 Ordinary Shares at the Issue Price of 11 pence per share
Proposed Broker Offer for up to an additional 4,545,454 Ordinary Shares at the Issue Price
Resolutions seeking further Shareholder Authority
Establishment of internal research facility to facilitate acquisitive tCRO strategy

London, UK - ValiRx Plc (AIM: VAL), a life sciences company focusing on early-stage cancer therapeutics and women's health, announces a Placing to raise approximately £1 million (before expenses), through the allotment and issue of 9,090,909 new Shares at the Issue Price of 11 pence per Share (the "**Placing**"). The Placing was conducted by Turner Pope Investments as sole placing agent for the Company.

In addition, to provide shareholders and other investors who did not initially have the opportunity to participate in the Placing to do so now, the Company is granting an option (the "**Broker Offer**") allowing additional subscriptions of up to £0.5 million with priority given to existing shareholders of the Company (together, the "**Fundraising**"). The result of the Broker Offer is expected to be announced on or around 17 January 2023.

In connection with the Placing and the Broker Offer, the Company is offering, to all subscribers of New Ordinary Shares, warrants to subscribe for one (1) new Ordinary Share for every four (4) New Ordinary Shares purchased (the "**Fundraise Warrants**"). The Fundraise Warrants will be exercisable at a price of 14 pence per share, a premium of approximately 27.3 per cent. to the Issue Price. The Fundraise Warrants are exercisable at any time until the third anniversary of Second Admission. The Fundraise Warrants will not be tradeable, nor transferable or CREST-enabled. The Fundraise Warrants will only be issued to subscribers of New Ordinary Shares on Second Admission, conditional on the passing of the Fundraising Resolutions at the General Meeting.

The Company is seeking to utilise its existing share allotment authorities and will issue the New Ordinary Shares in two tranches, being First Admission on 19 January 2023 and, subject to the passing of the Fundraising Resolutions at the General Meeting, Second Admission on6 February 2023.

The net proceeds from the Fundraising will be used to establish a new internal research facility with a view to accelerating the Company's longer term buy and build strategy.

Fundraising highlights

- Placing to raise gross proceeds of approximately £1 million

- Conditional Broker Offer through TPI to raise up to an additional £0.5 million, providing shareholders and other investors who did not participate in the Placing an opportunity to participate in the Placing

- Broker Offer launches immediately and is open for applications up to 17:00 on 16 January 2023

- Announcement of the result of the Broker Offer and final quantum raised expected on or around 17 January 2023

- Warrants to subscribe for one (1) new Ordinary Share for every four (4) New Ordinary Shares purchased pursuant to the Placing and the Broker Offer

- General Meeting to be held at the offices of DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF on 2 February 2023 to approve the issuance of the Broker Offer Shares, all Fundraise Warrants and the Adviser Warrants

- Net proceeds of the Fundraising to be used primarily to establish a new ValiRx internal research facility
    - The Company will invest in the new laboratory and equipment for in-house use and to launch tCRO (Translational Contract Research Organisation) service offering
    - This new facility provides a platform to accelerate ValiRx's longer term acquisition strategy, providing greater operational efficiencies, a stronger balance sheet and credibility with potential acquisition targets
    - Further investments to be made into the ValiRx collaborative pipeline including Cytolytix

- Issue Price of 11 pence per share represents a discount of 10.6 per cent. to closing market price on last practicable Business Day prior to this announcement, being 12.3 pence per share.

The Circular together with a Notice of General Meeting to be held at the offices of DAC Beachcroft LLP, 25 Walbrook, London EC4N 8AF at 11.00 a.m. on 2 February 2023 will shortly be posted to Shareholders and will shortly be available to view on the Company's website at https://www.valirx.com/aim-rule-26.

The Directors currently have share authority to allot up to 10,000,000 Shares without requiring a general meeting. The Placing Shares are expected to be issued on First Admission on 19 January 2023. Following the passing of the Fundraising Resolutions at the General Meeting, the Broker Offer Shares will admit upon the Second Admission. Second Admission and the issue of the Broker Offer Shares are conditional, *inter alia*, upon First Admission of the Placing Shares, Shareholders approving the Fundraising Resolutions at the General Meeting, and the Placing Agreement not having been terminated prior to Second Admission.

The Fundraise Warrants will be issued to subscribers of New Ordinary Shares pursuant to the Placing and the Broker Offer on Second Admission, conditional on the passing of the Fundraising Resolutions at the General Meeting. The Fundraise Warrants will not be issued in the event that the Fundraising Resolutions are not passed and therefore persons subscribing for New Ordinary Shares on First Admission would not, in such circumstances, receive any Fundraise Warrants. Holders of Fundraise Warrants will receive a warrant certificate following Second Admission and the register of Fundraise Warrants will be maintained by Neville Registrars Limited.

Shareholders should note that First Admission is not conditional upon Second Admission occurring and in the event that the Fundraising Resolutions are not passed, Second Admission may not occur and the Company would not receive the funds from the Broker Offer, which would limit the amount of working capital available to it. In addition, the Fundraise Warrants will not be issued in the event that the Fundraising Resolutions are not passed and therefore persons subscribing for New Ordinary Shares on First Admission would not, in such circumstances, receive any Fundraise Warrants.

Total Voting Rights

For the purpose of the Disclosure Guidance and Transparency Rules, following First Admission the enlarged issued share capital of the Company will comprise 99,265,065 ordinary shares of 0.1 pence each. The Company does not hold any shares in the treasury. The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure Guidance and Transparency Rules.

Dr Kevin Cox, Non-Executive Chairman, commented:

"We welcome the support of investors in this funding round which will enable ValiRx to establish a new facility with a view to accelerating our acquisitive tCRO strategy. The new facility should not only bring significant cost savings on existing evaluations but will also provide a stronger platform from which we may scale-up through future potential acquisitions."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). The Directors of the Company take responsibility for this announcement.

Cautionary statement

Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

For more information, please contact:

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Background to and Reasons for the Fundraising

ValiRx is an AIM quoted life sciences company focused on early-stage cancer therapeutics and women's health. The Company seeks to identify the most promising research in academia and innovative biotechnology companies and translate this research towards clinical development, providing a pathway to commercialisation.

Background

The Company has identified certain fundamental issues impacting drug development today, particularly within the preclinical phase, in terms of innovation, productivity and access. A lack of expertise in early-stage drug developers, particularly in academia, contributes to low rates of success in translating novel scientific research into valuable new therapeutic assets, hindering both the adoption of innovation and the overall productivity of developing new treatments.

To address these fundamental issues, ValiRx has adopted a strategy to improve the efficacy of translating promising novel academic research into the preclinical development phase, with a particular focus on women's health and oncology. ValiRx has extensive expertise in the clinical development process, as well as a deep understanding of biological processes. Combining its clinical knowledge, biological expertise, data generation and data interpretation abilities, ValiRx seeks to unlock the substantial potential of academic innovation and provide a more specialist and supportive service to academia compared to traditional contract research organisations, thereby increasing the chances of commercialising novel therapies. On 15 March 2022, the Company announced the adoption of its new tCRO model to facilitate this goal - through acquiring capabilities and infrastructure to create a more efficient and effective translational drug development service.

Developments since previous fundraising

In June 2022, the Group raised £2.5 million (before expenses) through a placing and broker offer with new and existing shareholders. These proceeds provided the Group with the necessary working capital to continue developing its core assets, as well as strengthen its balance sheet with a view to pursuing its acquisitive tCRO strategy. Following this fundraising, in July 2022 the Group was pleased to announce the successful evaluation of its peptide drug candidate against triple negative breast cancer with King's College London, enabling one of the Company's core assets to progress from evaluation stage to full in-licensing. Following this, in October of 2022, ValiRx announced the formation of a new partially-owned subsidiary company, Cytolytix Limited ("**Cytolytix**"), and that Cytolytix has signed an IP Licence Agreement with King's College London to progress the triple negative breast cancer project, CLX001, through preclinical development to a stage of readiness for clinical trials.

The Group was also pleased to strengthen its management team through the appointment of a new Chief Scientific Officer (Dr Cathy Tralau-Stewart) and Non-Executive Director (Stella Panu), who, between them bringing an invaluable skillset, including clinical expertise and corporate development, to assist with the Company's next stage of growth.

Looking ahead to next year, the Company looks forward to reporting further progress in relation to the Cytolytix in-licensing activity, as well as potential milestone decisions being made on new and existing evaluations. The Company expects to sign between two and four new evaluations in 2023.

Acquisition update and new facility

The Directors believe that an acquisition-led strategy is key to implementing the Company's tCRO model effectively. Through acquiring complementary profitable business with material revenues, the Company would be better placed to self-fund its existing evaluation projects, as well as its pipeline of therapies. ValiRx is actively engaged with four potential acquisition targets in the CRO space at different stages of negotiation. These targets generate revenues in the range of approximately £0.5 million to £2 million on 20% estimated profit margins. The targets' area of operations range from laboratory infrastructure to niche technologies and bioinformatics and their employees range from between 4 to 16. The Company expects to have completed at least one acquisition in the first half of 2023.

Whilst the Company has progressed discussions with potential acquisition targets, ValiRx identified an opportunity to establish a new laboratory facility in an incubator based in the East Midlands, which has become available for use in early 2023 with flexible contract terms and the ability to expand into adjacent laboratories.

The Directors believe that through setting up its own facility, the Company can establish its internal CRO which should provide a platform to accelerate future acquisitive growth and attract a significant and growing number of third-party customers. Importantly, the Directors also believe that the facility should enhance ValiRx's standing and credibility with future acquisition targets, making the Company a more attractive organisation for vendors to sell their businesses to.

Establishing ValiRx's own laboratory is expected to enable greater operational efficiencies and cost savings, with an estimated £40k saved on each evaluation and £100k on each preclinical programme. In total, the Company estimates that it should save an estimated £250k per year on its in-house projects. The Company is targeting first service users and incoming revenues by the second quarter of 2023.

Use of Proceeds

The Group has raised approximately £1 million (before expenses) through the Placing and may raise (subject to take up) up to an additional £0.5 million (before expenses) under the Broker Offer. The proceeds of the Fundraising, of up to approximately £1.5 million (before expenses), are intended to be used by the Group to establish a new internal research facility in the East Midlands to be ready in Q1 2023, with a view to accelerating the Company's longer term buy and build strategy, as well as providing growth capital for further investments into the ValiRx collaborative pipeline. In particular, the Group expects to invest:

- £0.5 million in new laboratory and equipment for in-house use and to launch tCRO service offering;
- Depending on take up of the Broker Offer, up to £1.0 million for growth and acquisition capital to support buy-and-build strategy, plus support in-house R&D pipeline, including Cytolytix.

For the purposes of section 571(6)(c) of the Companies Act 2006, the Issue Price has been determined by the Company following discussions with market participants and its professional advisers.

Details of the Placing

The Group has raised approximately £1 million (before expenses) through the Placing. The Company is undertaking the Fundraising in two tranches to utilise existing share issuance authorities granted to the Directors at its most recent AGM.

The Placing Shares have been conditionally placed with new and existing investors. Neither the Placing nor Broker Offer Shares are being underwritten. The New Ordinary Shares will, when issued, rank *pari passu* in all respects with the Existing Shares. Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that First Admission will take place, and dealings in the Placing Shares will commence, on or around 19 January 2023. It is expected that Second Admission will take place, and dealings in the Broker Offer Shares will commence, on or around 6 February 2023.

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

- the Placing Agreement becoming unconditional in all relevant respects and not having been terminated in accordance with its terms prior to First Admission; and

- First Admission becoming effective by no later than 8.00 a.m. on or around 19 January 2023 or such other date (being not later than 8.00 a.m. on 28 February 2023) as TPI and the Company may agree.

Shareholders should note that First Admission is not conditional upon Second Admission occurring and in the event that the Fundraising Resolutions are not passed and Placing Agreement does not become unconditional in all relevant respects, Second Admission may not occur and the Company would not receive the funds from the Broker Offer, which would limit the amount of working capital available to it. In addition, the Fundraise Warrants will not be issued in the event that the Fundraising Resolutions are not passed and therefore persons subscribing for New Ordinary Shares on First Admission would not, in such circumstances, receive any Fundraise Warrants.

EIS/VCT Shares

The Company has obtained professional advice for its own benefit indicating that the New Ordinary Shares being issued as part of the Fundraising should be "eligible shares" for the purposes of investment by VCTs and for EIS purposes. However, none of the Company, the Directors or any of the Company's advisers give any warranty or undertaking that an investment in the Company will be a qualifying holding for VCTs, or that EIS tax reliefs will be available or, if initially available, will not be withdrawn at a later date.

As the rules governing EIS and VCT reliefs are complex and interrelated with other legislation, if Shareholders, or other potential investors, are in any doubt as to their tax position, require more detailed information, or are subject to tax in a jurisdiction other than the United Kingdom, they should consult their professional adviser.

Details of the Broker Offer

To provide shareholders and other investors who did not participate in the Placing with an opportunity to do so, the Company has granted an option (the "**Broker Offer**") to TPI to invite subscriptions for up to an additional 4,545,454 new Shares (the "**Broker Offer Shares**") at the Issue Price. The Broker Offer is expected to close at 5.00 p.m. on 16 January 2023. As far as is practical, participation in the Broker Offer will be prioritised for shareholders (direct or indirect) on the register at the close of business on 12 January 2023 ("**Existing Shareholders**"). If the Broker Offer is fully taken up, it will raise an additional £0.5 million. A further announcement will be made once the Broker Offer Shares have been fully subscribed and the Broker Offer declared closed. If the Broker Offer is not fully subscribed by 5.00 p.m. on 16 January 2023, orders from eligible investors will be satisfied in full, and the balance of the Broker Offer shall lapse. Dealings in the Broker Offer Shares will commence on or around 6 February 2023, following Second Admission and are conditional on the passing at the General Meeting of the Fundraising Resolutions to provide the relevant authorities. Further details regarding participation, the eligibility criteria, the order of priority, and details regarding settlement, are set out in more detail below.

Broker Offer

The Broker Offer has been granted primarily to facilitate the participation by existing shareholders of the Company. Non-shareholders of the Company can also participate in the event existing shareholders do not apply for the shares in full.

Existing Shareholders or other interested parties who wish to register their interest in participating in the Broker Offer should click on the following link: ValiRx - TPI Broker Offer (URL: https://forms.office.com/e/7RAikAA4ce)

As far as is practical, participation in the Broker Offer will be prioritised for shareholders on the Company's share register at the close of business on 12 January 2023 ("**Existing Shareholders**"). TPI may choose not to accept

applications and/or to accept applications, either in whole or in part, on the basis of allocations determined at their sole discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as TPI may determine. If the Broker Offer is not fully subscribed by 5.00 p.m. on 16 January 2023 orders from eligible investors will be satisfied in full subject to Second Admission.

It is expected that, following allocations by TPI (in consultation with the Company), application will be made to the London Stock Exchange for the relevant amount of Broker Offer Shares to be admitted to trading on AIM ("**Admission**"). Admission is expected to become effective and trading of the Broker Offer Shares will commence at 8.00 a.m. on or around 6 February 2023. Following Admission, such Broker Offer Shares will rank *pari-passu* with the Existing Shares.

The Broker Offer will be undertaken in accordance with the further Terms and Conditions set out in the Appendix to this announcement.

Fundraise Warrants

In connection with the Placing and the Broker Offer, the Company is offering, to all subscribers of New Ordinary Shares, warrants to subscribe for one (1) new Ordinary Share for every four (4) New Ordinary Shares purchased (the "**Fundraise Warrants**"). The Fundraise Warrants will be exercisable at a price of 14 pence per share, a premium of approximately 27.3 per cent. to the Issue Price. The Fundraise Warrants are exercisable at any time until the third anniversary of Second Admission. The Fundraise Warrants will not be tradeable, nor transferable or CREST-enabled.

The Fundraise Warrants will be issued to subscribers of New Ordinary Shares on Second Admission, conditional on the passing of the Fundraising Resolutions at the General Meeting. The Fundraise Warrants will not be issued in the event that the Fundraising Resolutions are not passed and therefore persons subscribing for New Ordinary Shares on First Admission would not, in such circumstances, receive any Fundraise Warrants. Holders of Fundraise Warrants will receive a warrant certificate following Second Admission and the register of Fundraise Warrants will be maintained by Neville Registrars Limited.

Adviser Warrants

In connection with the Fundraising, the Company will issue, on completion of the Fundraise, warrants to TPI ("**Adviser Warrants**") equal to 6 per cent. of the total New Ordinary Shares to be issued pursuant to the Fundraising. The Adviser Warrants shall be exercisable at the Issue Price. The Adviser Warrants are exercisable at any time until the third anniversary of Second Admission. The Adviser Warrants will not be tradeable, nor transferable or CREST-enabled. If the Fundraising Resolutions are not passed, the Company will not be able to issue the Adviser Warrants until such time as it has authority to do so.

In lieu of transaction fees payable, Cairn will receive 327,273 Broker Offer Shares free of payment and accordingly will be issued with 81,818 Fundraise Warrants.

Update on current assets

An update on the current assets of the Company can be found in the quarterly operational and strategy update announcement by the Company on 6 December 2022.

General Meeting

The Directors do not currently have authority to issue the Broker Shares, the Fundraise Warrants and the Adviser Warrants and, accordingly, the Board is seeking the approval of Shareholders to issue the Broker Offer Shares, the Fundraise Warrants and the Adviser Warrants at the General Meeting. In addition, the Directors propose to seek additional authority to allot further Shares in the future to provide flexibility and to allow the Company some ability to take advantage of opportunities which may present themselves in the future.

FUNDRAISING STATISTICS

Number of Existing Shares	90,174,156

Number of Placing Shares	9,090,909
Maximum number of Broker Offer Shares[(1)]	4,545,454
Aggregate maximum number of Shares expected to be issued pursuant to the Placing and Broker Offer[(1)]	13,636,363
Issue Price	11p per share
Number of Shares in issue following First Admission and issue of the Placing Shares	99,265,065
Number of Shares in issue following Second Admission[(1)] and issue of the Broker Offer Shares	103,810,519
Percentage of the Enlarged Share Capital represented by the Placing Shares	8.8%
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares [(1)]	13.1%
Maximum number of Fundraise Warrants to be issued following Second Admission	3,409,090
Maximum number of Adviser Warrants to be issued following Second Admission	818,181
Gross proceeds of the Placing	Approximately £1 million
Maximum gross proceeds of the Broker Offer[(1)]	Up to £0.5 million
Gross proceeds of the Fundraising[(1)]	Approximately £1.5 million
Ordinary Share ISIN	GB00BLH13C52

(1) Assuming the Broker Offer Shares are subscribed for in full and authority is granted at the General Meeting to issue such shares

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2023
Announcement of the Fundraising	13 January
Latest time and date for applications under the Broker Offer (if not closed beforehand)	5.00 p.m. on 16 January
Latest date of publication and posting of the Circular & the Form of Proxy	17 January
First Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on or around 19 January

Latest time and date for receipt of proxy forms	11.00 a.m. on 31 January
General Meeting	11.00 a.m. on 2 February
Announcement of the results of the General Meeting	2 February
Second Admission and dealings in the Broker Offer Shares expected to commence on AIM	8.00 a.m. on or around 6 February
Expected date for CREST accounts to be credited for Broker Offer Shares to be held in uncertificated form	6 February
Despatch of definitive share certificates in respect of the Broker Offer Shares to be held in certificated form, if applicable	by 20 February

Notes:

1. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.

2. All of the above times refer to London time unless otherwise stated.

3. All events listed in the above timetable related to the Second Admission and the Broker Offer are conditional on the passing at the General Meeting of the Fundraising Resolutions to provide the relevant authorities.

DEFINITIONS

The following words and expressions shall have the following meanings in this Announcement unless the context otherwise requires:

"**Admission**"	First Admission and/or Second Admission as the context requires
"**Adviser Warrants**"	the warrants to be granted to TPI in connection with the Fundraising
"**AIM**"	AIM, the market of that name operated by the London Stock Exchange
"**AIM Rules**"	the AIM Rules for Companies published by the London Stock Exchange from time to time
"**Business Day**"	any day other than a Saturday, Sunday or public holiday in England and Wales on which clearing banks in London are open for general banking business
"Broker Offer"	the option to allow subscriptions by new and existing investors of up to £0.5 million at the Issue Price
"**Broker Offer Shares**"	up to 4,545,454 new Shares being made available to investors pursuant to the Broker Offer
"**Cairn**"	Cairn Financial Advisers LLP

"**certificated**" or "**in certificated form**"	not in uncertificated form
"Circular"	a circular providing further details of the Placing, the Broker Offer, the Fundraise Warrants, the Adviser Warrants and the General Meeting
"City Code"	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers in the UK
"**Company**" or "**ValiRx**"	ValiRx PLC
"**CREST**"	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
"**Directors**" or "**Board**"	the directors of the Company, or any duly authorised committee thereof
"**Enlarged Share Capital**"	the issued ordinary share capital of the Company immediately following Admission
"**Existing Shares**"	the 90,174,156 Shares in issue as at the date of this Announcement
"**FCA**"	Financial Conduct Authority
"**First Admission**"	admission of the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on 19 January 2023
"**Fundraise Warrants**"	the warrants to be granted to the subscribers of New Ordinary Shares
"**Fundraising**"	the Placing and the Broker Offer
"Fundraising Resolutions"	Resolutions 1 and 3 to be proposed at the General Meeting as set out in the notice of General Meeting at the end of the Circular
"**General Meeting**"	the general meeting of the Company convened for 11:00 a.m. on 2 February 2023 in accordance with the Notice set out at the end of the Circular (or any adjournment thereof)
"**Group**"	the Company and its subsidiary undertakings from time to time
"**Issue Price**"	11 pence per New Share
"**Neville Registrars**" or "**Receiving Agent**"	the trading name of Neville Registrars Limited
"**London Stock Exchange**"	London Stock Exchange plc
"**New Ordinary Shares**"	the Placing Shares and the Broker Offer Shares
"**Placing**"	the placing by TPI on behalf of the Company of the Placing Shares at the Issue Price pursuant to the terms of the Placing Agreement

"**Placing Agreement**"	the conditional placing agreement dated 13 January 2023 and made between the Company and TPI in relation to the Fundraising
"**Placing Shares**"	the 9,090,909 new Shares to be issued by the Company at the Issue Price at First Admission
"**Register**"	the register of members of the Company
"**Resolutions**"	the resolutions to be proposed at the General Meeting as set out in the notice of General Meeting in the Circular, and a reference to a numbered Resolution shall be to the resolution so numbered in that notice
"**Regulatory Information Service**"	a regulatory information service approved by the FCA and on the list of regulatory information services maintained by the FCA
"**Second Admission**"	admission of the Broker Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules which is expected to occur at 8.00 a.m. on 6 February 2023
"**Shareholders**"	holders of Shares
"**Shares**"	ordinary shares of 0.1 pence each in the capital of the Company
"**TPI**"	Turner Pope Investments (TPI) Limited
"**uncertificated form**" or "**in uncertificated form**"	recorded in the Register 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
"**United Kingdom**" or "**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**United States**" or "**US**"	the United States of America, its jurisdictions and possession, any state of the United States and the District of Columbia
"US Dollar"	the lawful currency of the United States
"US Securities Act"	the U.S. Securities Act of 1933, as amended

APPENDIX

Terms and Conditions of the Broker Offer

The following terms and conditions govern an investor's participation in the Broker Offer.

Any contract entered into by an investor in connection with the Broker Offer will be entered into, in the course of the provision to the Company by TPI of services comprising regulated activities within the meaning of the rules of the Financial Conduct Authority (**"FCA"**), by whom TPI is authorised to carry on regulated activities as required by the Financial Services and Markets Act 2000, as amended ("**FSMA**"). **If an investor under the Broker Offer is in any doubt about the terms of the Broker Offer and/or its consequences then it is recommended to immediately seek financial advice from its stockbroker, solicitor or accountant or other independent financial adviser duly authorised under FSMA who specialise in advising on the acquisition of shares and other securities.**

1.1 Investors in the Broker Offer agree to subscribe for Broker Offer Shares solely on the basis of information contained in this Announcement. In particular, but without prejudice to the generality of the foregoing, investors acknowledge that they are not subscribing for Broker Offer Shares on the basis of any material prepared by the Research Department of TPI or the investor presentation produced by the Company (the "**Presentation**") for which none of TPI, the Company or any of their respective directors and/or employees and/or any person(s) acting on behalf of any of them shall have any liability except in the case of fraud.

1.2 On 13January 2023, TPI entered into a placing agreement (the "**Placing Agreement**") with the Company in relation to the Placing and the Broker Offer.

1.3 The Second Admission in relation to the Broker Offer Shares will be conditional on, *inter alia*:

(i) First Admission having become effective;

(ii) the performance by the Company of its obligations under the Placing Agreement insofar as the same fall to be performed or satisfied on or prior to Second Admission;

(iii) the obligations of TPI under the Placing Agreement not having been terminated pursuant to any provision of the Placing Agreement prior to Second Admission;

(iv) a circular convening the General Meeting having been posted to shareholders and the relevant resolutions authorising the directors of the Company to allot the Broker Offer Shares free of pre-emption rights having been passed by the requisite majorities;

(v) satisfaction or, where appropriate, the waiver of certain other conditions set out in the Placing Agreement;

(vi) Second Admission become effective in accordance with the AIM Rules for Companies by no later than 8.00 a.m. on 6 February 2023 (or by such later date as the Company and TPI may agree in writing, being no later than 8.00 a. m. on 28 February 2023 (the "**Long Stop Date**").

1.4 Pursuant to the Placing Agreement, TPI has agreed on behalf of and as agent for the Company, to use its reasonable endeavours to procure persons who will (subject to the satisfaction or waiver of the relevant conditions contained in the Placing Agreement) subscribe for the Placing Shares and the Broker Offer Shares at the Placing Price.

1.5 Application will be made for the Placing Shares and for the Broker Offer Shares to be admitted to trading on AIM. The Broker Shares will be issued credited as fully paid and will, on Second Admission in respect of the Broker Offer Shares, rank *pari passu* in all respects with the fully paid existing ordinary shares of the Company including the right to receive all dividends and other distributions declared, paid or made in respect of the ordinary shares after First Admission (in respect of the Placing Shares) or Second Admission (in respect of the Broker Offer Shares).

1.6 Any commitment an investor makes to subscribe for Broker Offer Shares is conditional upon:

(i) First Admission in relation to the Placing Shares;

(ii) Second Admission in relation to the Broker Offer Shares; and

(iii) the Placing Agreement becoming unconditional in all respects (whether by satisfaction of its conditions or by waiver) and not having been terminated in accordance with its terms prior to Second Admission.

1.7 The Placing Agreement contains certain undertakings, warranties and indemnities given by the Company for the benefit of TPI and relating to certain potential liabilities of TPI. In addition, TPI has certain rights to terminate the Placing Agreement at any time prior to First Admission in respect of the Placing Shares or prior to Second Admission in respect of the Broker Offer Shares, *inter alia*, in the event of force majeure, any of the warranties given by the Company being found to have been untrue, inaccurate or misleading when given or ceasing to be true and accurate, a matter, fact, circumstance or event has arisen such that, in the opinion of TPI, a supplementary Press Announcement is required to be published, or there has occurred, in TPI's opinion, acting in good faith, a material adverse change in the business of the Company or its subsidiaries or in the financial or trading position or prospects of the Company's subsidiary undertakings or the Company or the Company's or a director's breach of their respective obligations under the Placing Agreement. The exercise by TPI of any right of termination shall be within its absolute discretion and TPI shall have no liability

to an investor, or any other person for whom an investor is subscribing , in respect of any decision which it makes as to whether or not to exercise any right of termination or any of its other rights under the Placing Agreement. In the event that TPI exercises these rights, or the Placing Agreement does not become unconditional in relation to the Broker Offer Shares on or before the Long Stop Date, all obligations and liabilities under these terms and conditions will cease and TPI will cause to be returned to an investor, without interest, any and all monies received from it pursuant to these terms at the investor's risk. For the avoidance of doubt, TPI is not underwriting the Broker Offer and no commissions are payable to any investor in respect of the Broker Offer Shares.

1.8 **By participating in the Broker Offer, an investor is deemed to agree that, save in the event of fraud on its part (and to the extent permitted by the Rules of the FCA), neither the TPI Group (as defined below) nor any of the directors and employees of the TPI Group shall be liable to it for any matter arising out of the role of TPI as agent, broker or otherwise in connection with the Broker Offer and that where any such liability nevertheless arises as a matter of law the investor will immediately waive any claim against the TPI Group and any of its directors and employees which it may have in respect thereof**. In these terms, the expression "TPI Group" means TPI and its ultimate holding companies and all direct and indirect subsidiary undertakings of such holding companies.

2. Broker Offer Participation

By participating in the Broker Option, an investor irrevocably agrees that, without the Company or TPI having any liability to it whatsoever, TPI may in its absolute discretion: (i) exercise the right to extend the time for fulfilment of any of the conditions in the Placing Agreement (provided that neither First Admission nor Second Admission occur later than the Long Stop Date); (ii) waive, in whole or in part, fulfilment of certain of the conditions to the Placing Agreement; or (iii) terminate the Placing Agreement in certain circumstances prior to First Admission and/or Second Admission, in each case without consulting the investor. If any of the conditions in the Placing Agreement have not been satisfied (or, where applicable, waived) or has become incapable of being satisfied on or before 8.00 a.m. on 6 February 2023 or such later date as TPI and the Company may agree (but being not later than the Long Stop Date), an investor's rights and obligations in respect of its participation under the Broker Offer shall cease and determine at such time and no claims may be made by an investor in respect thereof. All obligations assumed by an investor under the Broker Offer are entered into by an investor with TPI in its capacity as agent for the Company and are therefore directly enforceable by the Company.

3. Timetable and Settlement

On the assumption that the relevant conditions set out in the Placing Agreement are satisfied (or waived, where applicable) and that the Placing Agreement does not lapse and is not terminated in accordance with its terms on or prior to 8.00 a.m. on 6 February 2023 (or such later date, being not later than the Long Stop Date) it is expected that settlement in the Broker Offer Shares will take place on 6 February 2023. Investors will shortly be sent a form of confirmation setting out details of settlement in relation to the Broker Offer Shares, including trade date.

4. Confirmations

4.1 By participating in the Broker Offer an investor will be deemed to confirm, represent, warrant and undertake (for itself and any other person for whom it is subscribing) to TPI (for itself and on behalf of the Company) on the terms and subject to the conditions set out herein:

(i) that its obligations in agreeing to subscribe for Broker Offer Shares are irrevocable and legally binding and shall not be capable of rescission or termination by you in any circumstances;

(ii) that the exercise by TPI of any right or discretion under the Placing Agreement shall be within the absolute discretion of TPI and TPI need not have any reference to an investor and shall have no liability to an investor whatsoever in connection with any decision to exercise or not to exercise any such right and an investor is deemed to agree that it has no rights against TPI, the Company or any of their respective directors and employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;

(iii) that the contents of this Announcement are exclusively the responsibility of the Company. Neither TPI nor any of its directors, employees, officers, agents or representatives have nor shall have any liability for any information, representation or statement contained or referred to in this Announcement or contained or referred to in any other information previously published by the Company and will not be liable for an investor's decision to participate in the Broker Offer based on any information, representation or statement in this Announcement;

(iv) that in participating in the Broker Offer, it is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Broker Offer Shares other than as contained in this Announcement. An investor is deemed to agree that

neither the Company nor TPI nor any of their respective officers, directors or employees will have any liability for any such other information or representation;

(v) that in connection with the Broker Offer, TPI does not have any duties or responsibilities similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book to an investor or, as the case may be, an investor's clients, and that TPI is not acting for an investor or an investor's clients, and that TPI will not be responsible for providing the protections afforded to clients or an investor;

(vi) that an investor is not a national or resident of the United States, Canada, Australia, South Africa or Japan or a corporation, partnership or other entity organised under the laws of the United States, Canada, Australia, South Africa or Japan and that the investor will not offer, sell, renounce, transfer or deliver directly or indirectly any of the Broker Offer Shares in the United States, Canada, Australia, South Africa or Japan or to or for the benefit of any person resident in the United States, Canada, Australia, South Africa, Russia, Belarus or Japan and an investor acknowledges that the Broker Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended and the relevant exemptions are not being obtained from the Securities Commission of any province of Canada and that the same are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in the United States, Canada, Australia, South Africa or Japan;

(vii) that the investor is entitled to subscribe for the Broker Offer Shares comprised in its participation under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities and that it has not taken any action which will or may result in the Company or TPI or any of their respective directors, officers, employees or agents, acting in breach of any regulatory or legal requirements of any territory in connection with the Broker Offer or the investor's acceptance and that the investor's commitment to subscribe for Broker Offer Shares will constitute a valid and binding obligation on it;

(viii) that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its ordinary shares in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules issued by the FCA and made under Part VI of the FSMA and the articles of association of the Company;

(ix) that it is not, and it is not acting as nominee or agent for, a person who is or may be liable to stamp duty or SDRT under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (which broadly apply where ordinary shares are transferred or in certain circumstances are issued to persons who issue depository receipts or provide clearance services for their nominees or agents);

(x) that no instrument under which it subscribes for Broker Offer Shares (whether as principal, agent or nominee) will be subject to stamp duty or SDRT at the increased rates referred to in sections 67 or 93 (Depository Receipts) or section 70 or 96 (Clearance Services) of the Finance Act 1986;

(xi) that it agrees that it is in TPI's absolute discretion to agree to exercise or not to exercise any of its rights under the Placing Agreement or any other right without any liability or duty to it whatsoever including, without limitation, to extend the time, waive in full or in part the requirement for the satisfaction of all or any of the conditions of the Placing Agreement in accordance with its terms or the termination of the Placing Agreement if any condition therein has not been satisfied and otherwise to adjust the timetable for implementation of the Broker Offer. All times and dates referred to in these terms and conditions are therefore subject to adjustment in accordance with such rights;

(xii) that it acknowledges that it shall have no claim against TPI or the Company to the fullest extent permitted by law and regulation and it hereby irrevocably waives any and all such claims howsoever arising;

(xiii) if a company, it is a valid and subsisting company and has all necessary corporate capacity and authority to execute your obligations in connection with the Broker Offer;

(xiv) that, if an individual, it has the power and authority to perform its obligations under these terms and conditions and such performance does not and will not result in a breach of any obligation by which it is bound;

(xv) that it is liable for all and any stamp duty or SDRT and any related costs, fines, penalties and interest arising in respect of the delivery and settlement in respect of the Broker Offer Shares for which an investor agrees to subscribe;

(xvi) that these terms and conditions are, and any contract which may be entered into between it and TPI as agent of the Company pursuant hereto shall be governed by and construed in accordance with the laws of England and that it submits to the exclusive jurisdiction of the English Courts as regards any claim, dispute or matter arising out of or relating to these terms and conditions or any such contract;

(xvii) that it has complied in all respects with its obligations under the Money Laundering, Terrorist Financing and Transfer of Funds (information on the Payer) Regulations 2017 (as amended) (the "Money Laundering Regulations 2017"), the money laundering provisions of the Criminal Justice Act 1993, the Anti-Terrorism Crime and Security Act 2001 and the Proceeds of Crime Act 2002 (together with the relevant provisions of the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms)(together the "**Regulations**");

(xviii) that all notices, remittances and documents of title are sent to it or its agent at its own risk;

(xix) that time shall be of the essence as regards obligations pursuant to an investor's subscription for Broker Offer Shares;

(xx) that there is no commission payable to subscribers for Broker Offer Shares;

(xxi) that its name and the number of Broker Offer Shares to be subscribed for by it may be disclosed if required by law or by any applicable rules or regulations including the rules of AIM and rules of the London Stock Exchange plc;

(xxii) that the CREST member account identified by it to TPI is not marked with the member account Flag "C";

(xxiii) that it irrevocably appoints any director of TPI as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Broker Offer Shares for which it agrees to subscribe;

(xxiv) that it is not relying on any representations or warranties or agreements by the Company, a member of the TPI Group or by any of their respective directors, employees or agents or any other person except as set out in the express terms of this Announcement or terms and conditions;

(xxv) that it will not deal or cause or permit any other person to deal in all or any of the Broker Offer Shares for which it agrees to subscribe unless Second Admission becomes effective in respect of the Broker Offer Shares; and

(xxvi) that it is in possession of sufficient information to make reasonable evaluation of the Broker Offer Shares and the Company.

4.2 Investors further represent, warrant and undertake (for themselves and any other person for whom it is subscribing for Broker Offer Shares) to TPI (for TPI and for the benefit of the Company) and acknowledge that:

i. it is aware of, has complied with and will continue to comply with any obligations it has under the Money Laundering Regulations 2017, the Criminal Justice Act 1993, Articles 14 and 15 of the

Market Abuse Regulation, Proceeds of Crime Act 2002, the Anti-Terrorism Crime and Security Act 2001 (together with the relevant provisions of the Joint Money Laundering Steering Group in relation to financial sector firms), and any order, secondary legislation, notice or guidance issued thereunder) (together, the "**Regulations**") to the extent applicable to you;

ii. it will not make any offer to the public of those Broker Offer Shares to be subscribed for by it for the purposes of the Prospectus Regulation Rules made by the FCA pursuant to the UK Prospectus Regulation;

iii. neither the Company or TPI is making any recommendation whatsoever to any investor nor advising an investor regarding the suitability or merits of its participation in the Broker Offer or entering into any transaction in connection with it;

iv. it will not distribute this Announcement or these terms and conditions any other document relating to the Broker Offer Shares and it will be acquiring the Broker Offer Shares comprised in its participation for Broker Offer Shares for its own account as principal or for a discretionary account or accounts (as to which it warrants it has the authority to make and do make the statements in these terms and conditions) for investment purposes only; and

v. all documents will be sent at the investor's risk. They may be sent by post to such investor at an address notified to TPI.

4.3 The rights and remedies of TPI and the Company under these terms and conditions are in addition to any rights and remedies that would otherwise be available to them and the exercise or partial exercise of one such right or remedy will not prevent the exercise of others nor shall any delay in exercising or failure to exercise any such right or remedy operate as a waiver of such right or remedy.

4.4 The above confirmations, acknowledgements and agreements will survive completion of the Placing and Broker Offer and an investor acknowledges that the Company and TPI and their respective directors, employees, associates, advisors or agents will rely upon the truth and accuracy of the agreements, confirmations, acknowledgements, representations and warranties contained in these terms and conditions.

5. Money Laundering

It is also a term of the agreement evidenced by these terms and conditions that, to ensure compliance with the Regulations (as applicable) TPI may, in its absolute discretion, require verification of an investor's identity to the extent that it has not already provided the same. If within a reasonable time after a request for verification of identity TPI has not received evidence satisfactory to it, TPI may, in its absolute discretion, terminate an investor's participation in the Broker Offer (but without prejudice to TPI's rights or the Company's rights to take proceedings to recover any loss suffered by either or both of them as a result of an investor's failure to provide satisfactory evidence) in which event the monies payable on acceptance of the allotment will, if paid, be returned by the custodian bank to whom payment was made without interest to the account of the drawee bank from which they were originally debited.

6. Miscellaneous

If the Company, TPI or any of their respective agents request any information about your agreement to subscribe for Broker Offer Shares, you must promptly disclose it to them. As such, you may be asked to disclose, in writing or orally, (i) if you are an individual, your nationality, or (ii) if you are a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

7. Product Governance

Solely for the purposes of the product governance requirements contained within Chapter 3 of the FCA Handbook Production Intervention and Product Governance Sourcebook (the **"UK Product Governance Requirements"**), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Broker Offer Shares have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of investors who meet the criteria of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all distribution channels (the **"Target Market Assessment"**). Notwithstanding the Target Market Assessment, distributors for the purposes of UK Product Governance Requirements) should note that: (a) the price of the Broker Offer Shares may decline and investors could lose all or part of their investment; (b) the Broker Offer Shares offer no guaranteed income and no capital protection; and (c) an investment in the Broker Offer 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 Broker Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, TPI will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Broker Shares.

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

8. Governing Law and Jurisdiction

These terms and conditions and any participation in the Broker Offer shall be governed by and construed in accordance with the laws of England and, for the benefit of TPI and the Company, you irrevocably submit to the exclusive jurisdiction of the English Courts as regards any claim, dispute or matter arising out of or related to these terms and conditions.

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