

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident of the United Kingdom or, if not, another appropriately authorised independent professional adviser.**

If you sell or transfer or have sold or otherwise transferred all of your Existing Ordinary Shares before 13 July 2018 (being the date when the Existing Ordinary Shares were marked 'ex' the entitlement to the Open Offer), please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred some (but not all) of your Ordinary Shares, please retain these documents and consult the stockbroker or other agent through whom the sale or transfer was effected.

This document does not constitute a prospectus for the purposes of the Prospectus Rules of the Financial Conduct Authority nor does it comprise an admission document prepared in accordance with the AIM Rules. Accordingly, this document has not been approved by or filed with the Financial Conduct Authority, London Stock Exchange plc or any other regulatory authority. This document does not constitute or form part of any offer or invitation to sell or issue, or a solicitation of any offer to acquire, purchase or subscribe for, Ordinary Shares.

Application has been made to London Stock Exchange plc for the Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares to be admitted to trading on AIM. It is expected that Admission will occur and dealings will commence in the Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares on 3 August 2018. The Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid on or after they are issued.

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## **Itaconix plc**

*(Incorporated and registered in England and Wales with company number 08024489)*

**Fundraising of up to approximately £4.4 million**

**by way of a placing, subscription, open offer and US additional subscription**

**Proposed board changes**

**and**

**Notice of General Meeting**

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**AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.**

This document should be read in its entirety. Your attention is also drawn to the letter from the Chairman set out in Part I of this document recommending you vote in favour of the Resolutions to be proposed at the General Meeting which is referred to below. You should read the whole of this document carefully including the risk factors set out in Part II of this document. Capitalised words and phrases used in this document shall have the meanings given to them in the definitions section of this document.

Market soundings, as defined in the Market Abuse Regulation (EU No. 596/2014) ("**MAR**"), were taken in respect of the Placing and the Subscription with the result that certain persons became aware of inside information, as permitted by MAR. That inside information was set out in the announcement of the Fundraising dated 12 July 2018 and in this document and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons who received information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

**Notice convening the General Meeting of the Company to be held at the offices of Fieldfisher LLP, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT, United Kingdom on 2 August 2018 at 11.00 a.m. is set out in Part IV of this document.**

The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by the Registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 11.00 a.m. on 31 July 2018 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). Alternatively, Shareholders who hold their shares in uncertificated form may use the CREST electronic proxy appointment service. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message must be properly authenticated and contain the information required for such instructions as

described in the CREST Manual. The message must be transmitted so as to be received by the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU (ID RA10), by no later than 11.00 a.m. on 31 July 2018. The completion and posting of a Form of Proxy or the appointment of a proxy through CREST will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

Nplus1 Singer Advisory LLP, which is authorised and regulated by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting as nominated adviser and broker to the Company and no one else in connection with the Placing and the Open Offer. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person. No representation or warranty, express or implied, is made by Nplus1 Singer Advisory LLP as to any of the contents of this document, for which the Company is responsible (without limiting the statutory rights of any person to whom this document is issued). Nplus1 Singer Advisory LLP has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Nplus1 Singer Advisory LLP for the accuracy of information or opinions contained in this document or for the omission of any material information. Nplus1 Singer Advisory LLP will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document in respect of the Placing and Open Offer or any acquisition of shares in the Company.

Apart from the responsibilities and liabilities, if any, which may be imposed on Nplus1 Singer Advisory LLP by FSMA or the regulatory regime established thereunder, Nplus1 Singer Advisory LLP does not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Placing and the Open Offer. Nplus1 Singer Advisory LLP accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement.

The distribution of this document and the offer of the Placing Shares and the Open Offer Shares in certain jurisdictions may be restricted by law. Accordingly, this document must not be distributed or published in any jurisdiction except under circumstances that will result in full compliance with any applicable laws and regulations. Persons outside of the UK into whose possession this document comes should inform themselves about and observe any such restrictions.

Neither the Placing Shares nor the Open Offer Shares have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of the Placing or the Open Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Until 40 days after Admission, an offer or sale of the Placing Shares or Open Offer Shares within the United States by any dealer (whether or not participating in the Placing or Open Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than pursuant to an available exemption from registration under the US Securities Act.

NEITHER THE PLACING SHARES NOR THE OPEN OFFER SHARES HAVE BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE US OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND SUCH OTHER APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE PLACING SHARES AND OPEN OFFER SHARES MAY BE OFFERED AND SOLD ONLY (I) OUTSIDE OF THE UNITED STATES IN RELIANCE UPON REGULATIONS UNDER THE US SECURITIES ACT IN OFFSHORE TRANSACTIONS OR (II) TO "ACCREDITED INVESTORS" AS DEFINED IN RULE 501(A) OF REGULATION D OF THE US SECURITIES ACT, IN RELIANCE ON AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT.

This document is being sent to all Eligible Shareholders. The Open Offer closes at 11.00 a.m. on 31 July 2018. If you are an Eligible Shareholder and wish to apply for Open Offer Shares under the Open Offer you should follow the procedure set out in Part III of this document and, if you are an Eligible Non-CREST Shareholder, then complete and return the accompanying Application Form together with your appropriate remittance. Eligible CREST Shareholders will not receive an Application Form, but will receive instead a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlements which will be enabled for settlement on 16 July 2018. If you do not wish to participate in the Open Offer then you should not return your Application Form or send a USE instruction through CREST.

Applications under the Open Offer may only be made by the Eligible Shareholders originally entitled thereto, or by persons becoming so entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Ordinary Shares prior to the date on which the Ordinary Shares are marked 'ex' the entitlement by the London Stock Exchange. If the Basic Entitlements are for any reason not enabled by 6.00 p.m. (or such later time as the Company may decide on 16 July 2018), an Application Form will be sent to each Eligible CREST Shareholder in substitution for the Basic Entitlements credited to his stock account in CREST. Eligible CREST Shareholders who are CREST sponsored members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer. Applications for Excess Entitlements pursuant to the Excess Application Facility may be made by the Eligible Shareholder provided that their Basic Entitlement has been taken up in full and is subject to being scaled back in accordance with the terms and conditions of the Open Offer in Part III of this document.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. The Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared made or paid on the Ordinary Share capital of the Company.

### **FORWARD LOOKING STATEMENTS**

This document includes forward looking statements (that is, statements other than statements of historical facts), including (without limitation) those regarding the Group's financial position, business strategy, plans and objectives of management for future operations, and any statement preceded or followed by, or including, words such as "target", "believe", "expect", "aim", "intend", "will", "may", "anticipate", "would" or "could", or negatives of such words. Such forward looking statements involve known and unknown risks, uncertainties and other factors beyond the Group's control, that could cause the actual results, performance or achievements of the Company to be materially different to future results, performance or achievements expressed or implied by such statements. Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. They speak only as at the date of this document. The Company expressly disclaims any obligation to disseminate any update or revision to any forward looking statement in this document to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based, unless required to do so by applicable law or the AIM Rules.

Copies of this document will be available free of charge from the Company's registered office during normal business hours on each day (excluding Saturday, Sunday and public holidays) from the date hereof until the date of the General Meeting. Copies will also be available from the Company's website at [www.itaconix.com](http://www.itaconix.com).

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Bryan Dobson – <i>Director and Independent Non-executive Chairman</i> Kevin Matthews – <i>Director and Chief Executive Officer</i> Robin Cridland – <i>Director and Chief Financial Officer</i> Dr James Barber – <i>Non-executive Director</i> Julian Heslop – <i>Independent Non-executive Director</i> Mike Townend – <i>Non-executive Director</i>
<b>Proposed Director</b>	John Shaw – <i>Proposed Chief Executive Officer</i>
<b>Company Secretary</b>	Robin Cridland
<b>Registered Office</b>	1 Newtech Square Zone 2, Deeside Industrial Park Deeside Flintshire CH5 2NT
<b>Nominated Adviser, Sole Broker and Sole Bookrunner</b>	Nplus1 Singer Advisory LLP 1 Bartholomew Lane London EC2N 2AX
<b>Solicitors to the Company</b>	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
<b>Solicitors to the Nominated Adviser and Broker</b>	Rosenblatt 9-13 St Andrew Street London EC4A 3AF
<b>Registrars</b>	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Receiving Agent</b>	Link Asset Services Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	6.00 p.m. on 11 July 2018
Announcement of the Fundraising	12 July 2018
Ex-entitlement date of the Open Offer	7.00 a.m. on 13 July 2018
Circulation of Notice of General Meeting, Form of Proxy and Application Form (where applicable)	13 July 2018
Basic Entitlements and Excess Entitlements credited to stock accounts in CREST for Eligible Shareholders	16 July 2018
Latest recommended time and date for requested withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 25 July 2018
Latest time and date for depositing Basic Entitlements and Excess Entitlements in CREST	3.00 p.m. on 26 July 2018
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 27 July 2018
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 31 July 2018
Latest time and date for receipt of Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions	11.00 a.m. on 31 July 2018
General Meeting	11.00 a.m. on 2 August 2018
Results of the General Meeting and the Open Offer announced	2 August 2018
Admission of Placing Shares, Subscription Shares, Open Offer Shares and Additional Subscription Shares to trading on AIM and commencement of dealings	8.00 a.m. on 3 August 2018
CREST accounts to be credited for Placing Shares and the Open Offer Shares to be held in uncertificated form	8.00 a.m. on 3 August 2018
Dispatch of definitive share certificates for Placing Shares, Subscription Shares, Open Offer Shares and Additional Subscription Shares to be held in certificated form	by 10 August 2018

The Company reserves the right to alter the dates and times referred to above and to accept applications under the Open Offer at any time prior to 5.00 p.m. on 31 July 2018. If any of the dates and times referred to above are altered by the Company, the revised dates and times will be announced through a Regulatory Information Service without delay.

All references to time in this document are to London time, unless otherwise stated

# PLACING, SUBSCRIPTION, OPEN OFFER AND US ADDITIONAL SUBSCRIPTION STATISTICS

Issue Price	2 pence
Number of Existing Ordinary Shares in issue at the date of this document	78,717,948
Number of Placing Shares	107,300,000
Number of Subscription Shares	61,260,000
Open Offer Basic Entitlement	635 Open Offer Shares for every 1,000 Existing Ordinary Shares
Number of Open Offer Shares and Additional Subscription Shares (in aggregate)	up to 50,000,000
Number of Contingent Consideration Shares	15,000,000
Gross proceeds receivable by the Company pursuant to the Placing of the Placing Shares	approximately £2.1 million
Gross proceeds receivable by the Company pursuant to the Subscription of the Subscription Shares	approximately £1.2 million
Gross proceeds receivable by the Company pursuant to the Open Offer and US Additional Subscription*	up to £1.0 million
Estimated cash proceeds of the Fundraising receivable by the Company (net of expenses)*	approximately £4.1 million
Number of Ordinary Shares in issue immediately following Admission†	312,277,948
Percentage of the Enlarged Share Capital represented by the Placing Shares, Subscription Shares, Open Offer Shares and Additional Subscription Shares†	70.0 per cent
Approximate market capitalisation of the Company at Admission at the Issue Price†	£6.2 million

\* Assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants.

† Assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants and including the issue of the Contingent Consideration Shares.

Ordinary Share ISIN	GB00B84LVH87
SEDOL	B84LVH8
Open Offer Basic Entitlements ISIN	GB00BDZ9ZY17
Open Offer Basic Entitlements SEDOL	BDZ9ZY1
Open Offer Excess Entitlements ISIN	GB00BDZ9ZZ24
Open Offer Excess Entitlements SEDOL	BDZ9ZZ2

## Notes:

- Unless otherwise specified, references in this document to time are to British Summer Time.
- The times and dates above are indicative only. If there is any change, revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
- All references in this document to “pounds sterling”, “sterling”, “£”, “pence” or “p” are to the lawful currency of the United Kingdom.
- All references in this document to “dollar” or “\$” are to the lawful currency of the United States.

# DEFINITIONS

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

<b>“Additional Subscription Shares”</b>	the new Ordinary Shares to be issued pursuant to the US Additional Subscription which, in aggregate with the Open Offer Shares, will be up to 50,000,000 Ordinary Shares
<b>“Admission”</b>	the admission of the Placing Shares, the Subscription Shares, the Open Offer Shares, the Additional Subscription Shares and the Contingent Consideration Shares, to trading on AIM becoming effective in accordance with the AIM Rules
<b>“ADW”</b>	auto dish wash
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies, as published by the London Stock Exchange, as amended from time to time
<b>“Alkalon”</b>	Alkalon A/S
<b>“Announcement”</b>	the announcement released by the Company on 12 July 2018, relating to the Fundraising and the publication of this document
<b>“Applicant”</b>	an Eligible Shareholder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form under the Open Offer
<b>“Application Form”</b>	the application form relating to the Open Offer and enclosed with this document for use by Eligible Non-CREST Shareholders
<b>“Basic Entitlement(s)”</b>	the entitlement to subscribe for Open Offer Shares, allocated to an Eligible Shareholder pursuant to the Open Offer as described in Part III of this document
<b>“Board”</b>	the board of directors of the Company
<b>“CHT”</b>	Itaconix® CHT™, a chelant product produced by the Company for use in the laundry and ADW markets
<b>“certificated” or “in certificated form”</b>	an Ordinary Share which is not in uncertificated form (that is, not in CREST)
<b>“Closing Price”</b>	the closing middle market quotation of an Ordinary Share
<b>“Company” or “Itaconix”</b>	Itaconix plc, a public limited company (incorporated and registered in England and Wales with registered number 08024489) whose registered office is at 1-2 Newtech Square, Deeside Industrial Park, Deeside, Clwyd, CH5 2NT
<b>“Companies Act”</b>	the Companies Act 2006 as amended
<b>“Contingent Consideration and Merger Settlement Agreement”</b>	the conditional agreement dated 12 July 2018 entered into by the Company, Itaconix Corporation, John Shaw and the Contingent Consideration Payees terminating the Merger Agreement
<b>“Contingent Consideration Payees”</b>	Kensington Research Holdings LLC (a corporation in which John Shaw is interested), Yvon Durant and David Shaw



<b>“Contingent Consideration Shares”</b>	the 15,000,000 new Ordinary Shares which are to be issued to the Contingent Consideration Payees pursuant to the Contingent Consideration and Merger Settlement Agreement
<b>“CREST”</b>	the computerised settlement system operated by Euroclear which facilitates the transferring of title to shares in uncertificated form
<b>“CREST Manual”</b>	the CREST Manual, as published by Euroclear, as amended
<b>“CREST Sponsor”</b>	a direct member of CREST under the Regulations
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755), as amended
<b>“Directors”</b>	the directors of the Company whose names are set out in this document
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance and transparency rules made by the Financial Conduct Authority in exercise of its functions as competent authority pursuant to Part VI of the FSMA
<b>“DSP”</b>	Itaconix® DSP™, a product produced by the Company for use in the laundry and ADW markets
<b>“EcoCert COSMOS™”</b>	COSMOS (COSMetic Organic Standard), a Europe-wide private standard that was developed by five charters members to promote the use of ingredients from organic farming and use production and manufacturing processes that are environmentally sound and safe for human health
<b>“Eligible CREST Shareholders”</b>	Eligible Shareholders whose Existing Ordinary Shares are held in uncertificated form
<b>“Eligible Non-CREST Shareholder(s)”</b>	Eligible Shareholders whose Existing Ordinary Shares are held in certificated form
<b>“Eligible Shareholder(s)”</b>	all holders of Ordinary Shares on the Record Date (whether or not such shares are held in uncertificated or certificated form) that are not Non-Eligible Shareholders
<b>“Enlarged Share Capital”</b>	the 312,277,948 Ordinary Shares in issue on Admission, including the Placing Shares, the Subscription Shares, the Open Offer Shares, Additional Subscription Shares and the Contingent Consideration Shares (assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants)
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Eligible Shareholders may apply for an amount of Open Offer Shares in excess of their Basic Entitlement subject to the terms and conditions of the Open Offer set out in Part III of this document
<b>“Excess Entitlement(s)”</b>	an amount of Open Offer Shares in excess of the Basic Entitlement, but not in excess of the total number of Open Offer Shares, allocated to an Eligible Shareholder pursuant to the Open Offer as described in Part III of this document
<b>“Existing Ordinary Shares”</b>	the 78,717,948 Ordinary Shares in issue as at the date of this document

<b>“FCA”</b>	the Financial Conduct Authority
<b>“Form of Proxy”</b>	the form of proxy for use at the General Meeting and enclosed with this document
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended
<b>“Fundraising”</b>	the Placing, the Subscription, the Open Offer and the US Additional Subscription
<b>“General Meeting”</b>	the general meeting of the Company to be held at the offices of Fieldfisher LLP at 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT at 11.00 a.m. on 2 August 2018, or any adjournment thereof, notice of which is set out in Part IV of this document
<b>“Group”</b>	the Company and its subsidiary undertakings (as defined in the Companies Act)
<b>“Issue Price”</b>	2 pence per Placing Share, Subscription Share, Open Offer Share or Additional Subscription Share (as the case may be)
<b>“Itaconix Corporation”</b>	Itaconix Corporation, a Delaware corporation and specialty polymer company based in New Hampshire, US which was acquired by the Company in 2016 , and is currently a wholly-owned subsidiary of Itaconix (U.K.) Limited
<b>“Itaconix Merger”</b>	the acquisition by the Company of Itaconix Corporation pursuant to the Merger Agreement
<b>“Link Asset Services”</b>	a trading name of Link Market Services Limited
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“MAR”</b>	the Market Abuse Regulation (EU/596/2014)
<b>“Merger Agreement”</b>	the agreement and plan of merger dated as of 20 June 2016 relating to the acquisition by the Company of Itaconix Corporation by way of merger with Revolymer (U.S.) Inc.
<b>“MGDA”</b>	methylglycindiactic acid
<b>“Non-Eligible Shareholders”</b>	Shareholders who are resident or located in a Restricted Jurisdiction
<b>“Notice”</b>	the notice of General Meeting set out at the end of this document
<b>“N+1 Singer”</b>	Nplus1 Singer Advisory LLP (registered in England and Wales with registered number OC364131) whose registered office is at One Bartholomew Lane, London EC2N 2AX, the Company’s nominated adviser and broker
<b>“Official List”</b>	the official list of the FCA in its capacity as the UK Listing Authority
<b>“Open Offer”</b>	the invitation to Eligible Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in Part III of this document and (where relevant) on the Application Form
<b>“Open Offer Shares”</b>	the new Ordinary Shares to be issued pursuant to the Open Offer which, in aggregate with the Additional Subscription Shares, will be up to 50,000,000 Ordinary Shares

<b>“Ordinary Shares”</b>	the ordinary shares of 1 pence each in the capital of the Company
<b>“Overseas Shareholders”</b>	all Shareholders resident outside of the United Kingdom including those in a Restricted Jurisdiction
<b>“PDMR”</b>	person discharging managerial responsibility for the purposes of MAR
<b>“Placing”</b>	the conditional placing of the Placing Shares at the Issue Price pursuant to the Placing Agreement
<b>“Placing Agreement”</b>	the conditional agreement dated 12 July 2018 between the Company and N+1 Singer relating to the Placing
<b>“Placing Shares”</b>	107,300,000 new Ordinary Shares to be issued in connection with the Placing
<b>“Proposed Director”</b>	John Shaw, a proposed director of the Company, conditional on Admission
<b>“Receiving Agent”</b>	Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
<b>“Record Date”</b>	6.00 p.m. on 11 July 2018
<b>“Registrars” or “Link Asset Services”</b>	Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
<b>“Regulations”</b>	the UK Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
<b>“Regulatory Information Service”</b>	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website, <a href="http://www.fca.org.uk/">http://www.fca.org.uk/</a>
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting as set out in the Notice
<b>“Restricted Jurisdiction”</b>	means Australia, Canada, Japan, New Zealand, the Republic of Ireland, the Republic of South Africa and the United States and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law or regulations
<b>“RevCare”</b>	RevCare™ NE, a bio-based hair styling polymer produced by the Company
<b>“Shareholders”</b>	holders from time to time of Ordinary Shares
<b>“SKU”</b>	Stock Keeping Unit, a unique product distinguished from other products in the same product line by, for example, size or formulation
<b>“Solvay”</b>	Solvay S.A, a Belgian chemical company
<b>“Subscription”</b>	the conditional subscription of the Subscription Shares at the Issue Price by certain US Shareholders and other US investors
<b>“Subscription Shares”</b>	61,260,000 new Ordinary Shares to be issued in connection with the Subscription
<b>“uncertificated” or “in uncertificated form”</b>	recorded on a register of securities maintained by Euroclear in accordance with the CREST Regulations as being in uncertificated form

	in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories, or possessions, and any state of the United States of America, the District of Columbia and all areas subject to its jurisdiction, or any political subdivision thereof
<b>“USE”</b>	an Unmatched Stock Event
<b>“US Additional Subscription”</b>	the invitation to be made by the Company (acting in its absolute discretion) to certain US Eligible Participants to subscribe for Additional Subscription Shares
<b>“US Eligible Participant”</b>	a US Person who is approached by the Company to participate in the US Additional Subscription and who is permitted to subscribe for Additional Subscription Shares pursuant to applicable exemptions to the US Securities Act
<b>“US Person”</b>	has the meaning ascribed to that term in Regulation S under the US Securities Act
<b>“US Securities Act”</b>	the US Securities Act of 1933, as amended
<b>“Woodford Investment Management”</b>	Woodford Investment Management LLP, a substantial shareholder in the Company, acting as agent, for an on behalf of certain discretionally managed investment funds and portfolios
<b>“ZINADOR”</b>	Itaconix® ZINADOR™, an odour neutraliser produced by the Company

# PART I

## LETTER FROM THE CHAIRMAN

### Itaconix plc

*(Registered in England and Wales with company number 08024489)*

#### **Directors:**

Bryan Dobson – *Director and Independent Non-executive Chairman*  
Kevin Matthews – *Director and Chief Executive Officer*  
Robin Cridland – *Chief Financial Officer and Company Secretary*  
Julian Heslop – *Independent Non-executive Director*  
Mike Townend – *Non-executive Director*  
James Barber – *Non-executive Director*

#### **Registered Office:**

1-2 Newtech Square  
Deeside Industrial Park  
Deeside  
Clwyd  
CH5 2NT

#### **Proposed Director:**

John Shaw – *Proposed Chief Executive Officer*

*To holders of Ordinary Shares in the Company and, for information only, to holders of share options*

13 July 2018

Dear Shareholder,

#### **Fundraising of up to approximately £4.4 million**

**by way of a placing, subscription, open offer and US additional subscription**

**Proposed board changes**

**and**

**Notice of General Meeting**

### **1. Introduction**

It was announced on 12 July 2018 that the Company has conditionally raised £3.4 million before fees and expenses by a Placing of 107,300,000 Placing Shares with certain existing and new institutional and other investors and by a Subscription of 61,260,000 Subscription Shares with certain existing US Shareholders and other US investors at the Issue Price of 2 pence per share. The Issue Price of 2 pence represents a 70.4 per cent. discount to the Closing Price of 6.75 pence on 28 June 2018, being the day prior to the suspension of the Ordinary Shares from trading on AIM.

It was further announced that the Company wishes to offer all Eligible Shareholders the opportunity to participate in a further issue of new equity in the Company by way of the Open Offer of new Ordinary Shares to Eligible Shareholders at the Issue Price. Eligible Shareholders may subscribe for Open Offer Shares on the basis of 635 Open Offer Shares for every 1,000 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 through the Excess Application Facility.

The Company also intends (acting in its absolute discretion) to make an invitation to certain US Eligible Participants to participate, pursuant to applicable exemptions to the US Securities Act, in a further issue of new equity in the Company by way of the US Additional Subscription of new Ordinary Shares at the Issue Price.

The Open Offer and the US Additional Subscription will be for up to 50,000,000 new Ordinary Shares in aggregate.

Assuming a full take-up by Eligible Shareholders under the Open Offer and by US Eligible Participants under the US Additional Subscription, the issue of the Open Offer Shares and the Additional Subscription Shares will raise

further gross proceeds of up to £1.0 million for the Company. Should the aggregate applications under the Open Offer and US Additional Subscription exceed the cap of £1 million, the Board will “scale back” applications under the Open Offer as described in paragraph 10 of this Part I. The net proceeds of the Fundraising are intended to be used to fund the commercial development of the Company’s portfolio of core products and for general working capital purposes, further details of which are set out in paragraph 5 below. Completion of the Fundraising is conditional, *inter alia*, upon Shareholder approval of the Resolutions to be proposed at a general meeting of the Company, expected to be held at the offices of Fieldfisher LLP at Riverbank House, 2 Swan Lane, London EC4R 3TT at 11.00 a.m. on 2 August 2018.

**The purpose of this document is to provide you with information about the background to and the reasons for the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting.**

**Itaconix is loss making and further funding is required, as highlighted in previous announcements. It is likely that failure to pass the Resolutions would ultimately lead to the Company entering into administration or some other form of insolvency procedure, assuming that alternative funding would not be available.**

**The Directors intend to vote in favour of the Resolutions in respect of their legal and/or beneficial shareholdings amounting, in aggregate, to 326,276 Ordinary Shares representing approximately 0.4 per cent. of the issued share capital of the Company as at the date of this document.**

## **2. Background to and reasons for the Fundraising**

### **2.1 *Itaconix’ business***

Following the acquisition and integration of Itaconix Corporation and the completion of the divestment of the nicotine gum business in 2016, the Group was re-launched as Itaconix in March 2017. Itaconix is a specialty chemicals business that designs and manufactures high performance, cost effective and sustainable ingredients that are key components of products for use in the personal care, homecare and industrial sectors.

The Company is a leader in developing and producing novel bio-based polymers based on itaconic acid, a renewable chemical produced by fermentation, combining the versatile chemistry of itaconic acid with breakthrough manufacturing economics. Itaconix is developing a growing portfolio of functional ingredients for use in a range of consumer products, including odour management products, hair styling and laundry detergents and ADW tablets, all of which address unmet needs and offer enhanced product performance at a competitive price to its customers. The Company designs its products with the intention that they will match or beat the performance of traditional ingredients.

Itaconix is focused on building a high gross margin, capital efficient, specialty chemicals group. In addition to the manufacture of certain polymers in-house, the Company uses third party contract manufacturers for a number of products and in certain circumstances licenses its technology to major partners in the chemicals industry.

Increasing consumer expectations, regulatory changes and environmental best practice are resulting in major consumer product companies seeking to improve product performance whilst replacing traditional ingredients with sustainable alternatives. This trend is widespread, with notable examples being Unilever, P&G and L’Oreal. Many of the major specialty chemicals companies including AkzoNobel and Solvay have signed up to an initiative called “Together for Sustainability”, which is designed to improve the sustainability of chemical industry supply chains. The Directors believe that Itaconix is strategically well aligned with this long term trend and positioned to play a significant future role in the redesign of many supply chains to improve both the performance and the environmental sustainability of consumer and industrial products.

### **2.2 *Main products***

Itaconix’ target markets have common themes that act as drivers of change and product reformulation, as outlined below:

- performance: e.g. malodour;
- sustainability: e.g. hair styling; and
- regulations: e.g. non-phosphate detergents.

(a) *Malodour*

ZINADOR is an example of how Itaconix has worked with customers to satisfy an unmet need in malodour management. Increasingly formulators want to neutralise odours rather than only mask them with fragrance. This market trend is present in a wide range of segments including carpet cleaners, air fresheners, fabric care, surface cleaners and pet care. The challenge faced by the formulators is that the range of effective ingredients is limited. Zinc compounds that are known to neutralise odours (such as zinc ricinoleate) are typically not readily soluble in water-based formulations. Nevertheless, they are well established competitors to cyclodextrins and surfactants. Itaconix has developed ZINADOR™, the zinc salt of a polymer of itaconic acid which is water soluble, providing ease of use over zinc ricinoleate, and which does not leave any residual materials. It provides the ready availability of zinc with a demonstrated reduction in odours in formulations.

Itaconix has a clear commercial strategy building from initial market engagement to global engagement and ZINADOR™ is a good example of this. Initially, Itaconix evidenced first sales to customers. The Company then used this market validation to attract the attention of market leaders. As an early stage, growth company, Itaconix recognises the challenge of effectively accessing its global markets in a timely fashion. To address this, it aims to conclude collaborative partnerships with leading industry players. In the case of ZINADOR™, in January 2017 Itaconix signed an exclusive global supply and joint marketing agreement with Croda, which has over 30 years' experience in the odour market, but previously had no zinc-based product.

Under the terms of the agreement, Itaconix is manufacturing for Croda, which is marketing and selling ZINADOR™ in household, municipal, animal and industrial applications. The product is still early in its commercial development but small initial sales have been achieved in many regions of the world. Customer projects are advancing and a number of new consumer brand products are expected to be launched in 2019.

(b) *Hair styling*

Increasing consumer concerns regarding the environment are reflected in a strong consumer trend towards bio-based products and less reliance on petroleum-based products in personal care. Consumers will choose and pay premiums for bio-based products. The \$440 million hair styling market is a demanding market due to immediate and extended tactile sense of performance – the hair style must be held immediately and visibly, and this hold must be maintained throughout the day. Further, the regulatory certifications required for hair styling products (e.g. EcoCert COSMOS™) limit the claims manufacturers can make for “green washing”.

In 2016, Itaconix formally launched RevCare, a bio-based hair styling polymer. RevCare has been demonstrated in internal tests and third-party benchmarking to provide hair styling performance that is competitive with petrochemical-based market leaders and in addition offers benefits in frizz control and protection from heat damage during styling and drying. RevCare is the first hair styling polymer with EcoCert COSMOS™ approval.

RevCare is a water soluble hair styling polymer and hence, the Company estimates that only about 30 per cent. of the hair styling market is accessible at this time, although internal product development activities are proposed to access more of this global market. The Directors estimate that RevCare can potentially access a \$130 million market.

The Directors believe that the market dynamics in personal care are very different to, for example, the relatively consolidated ADW market, being a highly fragmented market with a very large number of companies that convert one SKU reformulation at a time. Therefore, growth in this market can take time. The focus in 2017 and in the year to date has been on the establishment of channels to market and distribution relationships have been established including in the UK, USA, Canada, Germany, France, Italy, Spain, Poland, Brazil, Columbia, Finland, the Baltics, Greece and Turkey, as well as the key Asian markets of South Korea and Japan. In parallel, Itaconix has developed direct relationships with several major global cosmetics houses. Initial sales success has resulted in RevCare already being adopted for use in hair styling products in Italy, Germany, Spain and South Korea. These early sales tend to be to innovative lead adopters with boutique brands and hence volumes



are modest. However, the fact that repeat sales are now being made in multiple territories is encouraging and the Company has a global pipeline of active projects.

(c) *Non-phosphate detergents*

Tightening regulations continue to drive the phasing out of older product technologies which are unsafe for humans and/or the environment and offer opportunities for replacement products. A particular area of focus for Itaconix is the replacement of phosphates in laundry and ADW applications.

Phosphates are already banned in North America, Europe and Australia and the expectation is that limits are also likely to emerge in Asia and Japan as they voluntarily become phosphate free. The removal of phosphates, which were a key ingredient in detergents, created a major reformulation need and the Directors believe that the ADW market is still seeking comparable products.

Phosphates are multi-functional, combining both chelation (management of water hardness – a key aspect of surfactant performance) and scale inhibition (preventing the deposition of calcium salts on both fabrics and surfaces). There have been several reformulations as the ADW industry moved away from phosphates. Initially there was a reduction in phosphate use by combining with conventional acrylate polymer scale inhibitors. When the phosphate bans came into force, phosphates were replaced by citrates and amino polycarboxylates together with acrylate polymers.

Itaconix has developed two product lines, DSP and CHT that it believes offer real advantages to the laundry and ADW markets. Itaconix has been supplying DSP since 2009, with the ingredient being formulated into over 20 consumer products by 2015 and during this period it has developed a detergent development laboratory in the US for formulating and reformulating customer products. Itaconix has completed the development of a new chelant, Itaconix® CHT™122, in response to brand and industry interest. This ingredient was designed to deliver improved performance for ADW applications with reduced input costs. Formulation work carried out by Itaconix and in collaboration with customers suggests that CHT can match the performance of the current non-phosphate formulations, but at a lower cost. This is of particular interest to the tablet and pod segment of the ADW market where the choice of ingredients for non-phosphate detergents is limited. Brands are placing pressure on suppliers for new alternatives for better cost, performance and sourcing purposes and, in turn, competitors are actively seeking alternatives.

The Directors estimate the ADW tablet and pod market at around 30 billion units per annum, split equally between Europe and North America. It is a highly competitive market with public performance comparisons driving constant change with major, private-label and specialty brands at risk of losing market share if their formulae do not perform. At typical usage rates, the Directors estimate a potential addressable market of \$135 million per annum for the CHT product in ADW applications.

Itaconix has been actively working in the ADW market for some years and has a strong pipeline of active customer projects in Europe and North America. In the first quarter of 2018, Itaconix satisfied its first order for this new CHT material for use in a new formulation with a novel format targeted at the North American ADW private label market and CHT is in four new consumer products so far this year. Itaconix also has nine active projects with major, specialty and private label brands.

In parallel, Itaconix has been working with AkzoNobel's chelates business following the signing of an application agreement in September 2017 to evaluate and develop innovative bio-based chelates for use in the consumer and industrial detergents and cleaner markets. AkzoNobel is a world leader in chelation products. On 16 May 2018, following a successful technical and regulatory evaluation, AkzoNobel's chelates business formally notified Itaconix of its intention to enter into a joint marketing effort related to Itaconix' innovative bio-based chelates. There are still commercial details to be finalised, with an agreement expected to be concluded before the end of 2018. The goal is to establish a strong multi-year relationship to deliver Itaconix' innovative bio-based chelates to customers worldwide, thereby supporting the development of high performance, sustainable, consumer products using Itaconix technology.



### 2.3 **Other commercial developments**

In the second half of 2017, Solvay made its first modest sales of the encapsulated specialty PAP bleach product Eureco™ RP103 (“RP103”), manufactured using technology Itaconix licensed to it in 2014. In addition, Itaconix announced on 16 October 2017 that Società Chimica Bussi S.p.A. (“SCB”) had decided to invest in new manufacturing facilities for RP103. Building on the actions initiated by Solvay and as a result of growing commercial interest, SCB decided to support the availability of encapsulated Eureco™ products.

On 25 January 2018, Itaconix announced that it had licensed certain non-core polymer assets developed under a joint development agreement to tremco-illbruck Limited, an RPM International Inc. company. The first minimum royalty payments were received in the first quarter of 2018.

In the first quarter of 2017, Itaconix signed a joint development agreement with AkzoNobel to advance commercial collaborations in certain applications for its itaconic acid polymer technology platform. The agreement establishes a broad operating framework for the parties to jointly identify, develop and commercialise new polymers using Itaconix’ patented technology. In July 2017, Itaconix announced the signing of its first application area agreement with AkzoNobel’s Performance Additives unit, developing applications for Itaconix bio-based polymers to be used in the coatings and construction industries.

### 2.4 **Proprietary production process**

Itaconix has a proprietary process to produce polymers of itaconic acid that are protected by multiple patents (both expected to be granted and pending) covering both processes and compositions. The process represents a step change in terms of conversion speed and yield relative to earlier work by Pfizer and Rohm & Haas (now Dow) to provide a product line with breakthrough production economics. The commercial production of Itaconix’ polymers has been ongoing since 2009. In anticipation of the growing commercial engagement described above, Itaconix undertook a \$1 million investment to upgrade its polymer manufacturing facility in New Hampshire, USA and the new expanded plant came on line in March 2017. The Directors estimate that the current capacity of the plant can support a business revenue of up to \$25 million depending on product mix, subject to a debottlenecking investment estimated at less than \$500,000. It is currently anticipated that additional capacity will not be required in the near term.

### 2.5 **Organisational enhancement**

In 2017, the Board began to realign the cost base of the Group to support the commercialisation of its existing product portfolio, refocusing more of its product development resource on supporting its customers and delivering commercial goals. On 30 May 2018, Itaconix announced the further consolidation of its activities into its US manufacturing facility in New Hampshire, USA, while retaining key UK personnel. The Board has now identified additional cost savings with further reductions in UK headcount and putting certain new product developments that are not market ready on hold. This also reduces anticipated levels of capital expenditure. These further changes are expected to reduce the Group’s operating expenses to around £2.2 million per annum from 2019 and are driven by a further focus on growing sales of its core products and manufacture, as Itaconix moves out of the product development phase and aims to reach profitability sooner, subject to the necessary funding.

### 2.6 **Funding requirement**

Itaconix has made significant progress over the last two years since the acquisition of Itaconix Corporation. It has developed three products for major unmet needs with proven performance and established customer use. It has also developed a strong pipeline of active customer projects in Europe and North America. The Directors estimate that the Group has active customer projects with the potential of at least \$30 million in annual revenues, with production capacity in the US that can meet this demand subject to the investment of capital of less than \$500,000. The break through products developed by Itaconix have resulted in significant interest from market leaders and subsequent collaborations with Croda and AkzoNobel.

The Fundraising is being carried out predominantly to fund the operational costs of the business as it seeks to grow revenues through the commercial development of the Company’s portfolio of core products.

### **3. Variation of the terms of the Itaconix Merger**

Under the terms of the Merger Agreement with the previous owners of Itaconix Corporation, a contingent consideration was agreed with the Contingent Consideration Payees. This would be payable to the Contingent Consideration Payees, subject to the achievement of revenue targets for products based on the Itaconix Corporation technology acquired for the calendar years 2017 to 2020, based on 50 per cent. of incremental annual net sales value above \$3 million in 2017 and in excess of the prior year for 2018 to 2020 inclusive (and no less than \$3 million) and up to \$15 million. The contingent consideration was capped at \$6 million in aggregate. Such deferred performance consideration, if any, would be satisfied annually entirely in new Ordinary Shares of Itaconix plc at the then prevailing share price.

The Company has entered into the Contingent Consideration and Merger Settlement Agreement with the Contingent Consideration Payees pursuant to which, conditional upon Admission, the contingent consideration is to be restructured into two components:

- a one-time issue of 15 million Contingent Consideration Shares to the Contingent Consideration Payees; and
- the continuation of the previous contingent consideration mechanism (i.e. up to a further \$6 million payable by the issue of new Ordinary Shares), but with the window of time for potential achievement extended to the end of 2022 (from the end of 2020) and including all the revenues of the Group (which are primarily from products based on the acquired Itaconix Corporation technology in any event).

The second component of the revised contingent consideration is intended to serve as an incentive programme for the two members of management (John Shaw and Yvon Durant) who are entitled to 63 per cent of the total contingent consideration under the Merger Agreement. Accordingly, they have entered into new, more standard form employment agreements conditional on Admission and will not be eligible for any cash bonus or other share incentive programme for the years 2018 to 2020 inclusive.

The Contingent Consideration and Merger Settlement Agreement also terminates, conditional upon Admission, a significant proportion of the Merger Agreement so as to remove various restrictive clauses entered into by the Company at the time of the Itaconix Merger. These include a covenant to fund Itaconix Corporation in accordance with the strategic plan and a provision which would trigger payment of the contingent consideration in full on the termination of employment of either John Shaw or Yvon Durant without cause.

The Revised Contingent Consideration and Merger Settlement Agreement is structured to offer total value in line with the original value potential from the Merger Agreement and the employment agreements of John Shaw and Yvon Durant, whilst dealing with any litigation risk for Itaconix that could arise from covenants contained within the Merger Agreement or the employment agreements.

### **4. Proposed Board changes**

Following the recently announced restructuring of the Group, with most of the activities consolidated into the US operations, John Shaw will be appointed as Chief Executive Officer, conditional on Admission. John Shaw is currently the President of the Company's wholly owned US subsidiary, Itaconix Corporation and was one of the two co-founders of Itaconix Corporation. He will be located in New Hampshire, USA.

Also conditional on Admission, Kevin Matthews, the current Chief Executive Officer of the Company, will become Executive Chairman until the end of 2018, with Bryan Dobson, the current Non-executive Chairman stepping down to be an independent Non-executive Director until a suitable replacement can be found.

After 10 years dedicated to the Company and with the main operations of the Group transitioning to the US, Robin Cridland will step down as Chief Financial Officer at the end of August 2018, subject to completion of the Fundraising, handing over to an interim CFO at that time. A US-focused full time CFO will be appointed in due course.

Julian Heslop has also indicated his intention to step down as an independent Non-executive Director in due course once a suitable replacement has been found by the Board.

## 5. Use of proceeds of the Fundraising

The Company is proposing to raise gross proceeds of up to £3.4 million from the Placing and Subscription, with the net proceeds (after deducting the costs and expenses of the Fundraising) intended to be used to fund the commercial development of the Company's portfolio of core products and for general working capital purposes as it seeks to grow revenues. The net proceeds of the Fundraising will provide the Company with at least 12 months of working capital.

Assuming a full take-up by Eligible Shareholders under the Open Offer and by US Eligible Participants under the US Additional Subscription, the issue of the Open Offer Shares and Additional Subscription Shares will raise further gross proceeds of up to £1.0 million for the Company. To the extent these further funds are raised via the Open Offer and US Additional Subscription (which will not be underwritten), they will be used to provide additional working capital to support the Company.

## 6. Current trading and prospects

The Company has today announced its preliminary results for the twelve months ended 31 December 2017 and these are available on the Company's website at [www.itaconix.com](http://www.itaconix.com). Disappointingly, revenue growth in 2017 was slower than expected. One of the key characteristics of the specialty chemicals market is that the ingredients are critical components in customers products. Consequently, customers conduct extensive testing to verify the claimed benefits and also confirm that there are no unexpected side effects resulting from the use of new ingredients. In the case of Itaconix, this customer evaluation has taken longer than expected. Nevertheless, the Company was successful in initiating and growing sales for both Itaconix®ZINADOR™ (to Croda) and RevCare NE 100S in 2017. Subject to the completion of the Fundraising, the Company will look to launch further products with a view to generate additional revenue in the future.

## 7. Terms of the Placing and the Subscription

The Company has conditionally raised approximately £3.4 million before expenses pursuant to the Placing and the Subscription. The Issue Price represents a discount of approximately 70.4 per cent. to the Closing Price on 28 June 2018, being the day prior to the suspension of the Ordinary Shares from trading on AIM.

Subject to the satisfaction of the conditions under the Placing and the Subscription including, *inter alia*, the passing of the Resolutions, the Company will issue 168,560,000 new Ordinary Shares in aggregate at the Issue Price, thereby raising approximately £3.4 million, before expenses, and £3.1 million, after the expenses of the Fundraising (which are estimated to be £0.3 million (excluding VAT) in total). The Placing Shares have been conditionally placed by N+1 Singer, as agent for the Company, with institutional and other investors. The Company has entered into conditional subscription agreements with certain existing US Shareholders and other US investors for the issue of the Subscription Shares. The Placing Shares and the Subscription Shares issued pursuant to the Placing and the Subscription will represent approximately 54.0 per cent. of the Enlarged Share Capital on Admission.

Neither the Placing nor the Subscription has been underwritten by N+1 Singer. The Company has agreed to pay N+1 Singer certain fees and commissions in connection with its appointment and the Placing.

The Placing and the Subscription are conditional, *inter alia*, upon:

- the Resolutions being passed (without amendment) at the General Meeting or any adjournment thereof;
- each of the warranties contained in the Placing Agreement being and remaining accurate and not misleading until Admission;
- the Company having complied in all material respects with its obligations and having satisfied the conditions under the Placing Agreement which are to be performed or satisfied prior to Admission;
- the Placing Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated by N+1 Singer in accordance with its terms;
- Admission of the Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares taking place by no later than 8.00 a.m. on or around 3 August 2018 (or such later date as the Company may agree with N+1 Singer).

If any of the conditions are not satisfied, the Placing Shares and the Subscription Shares will not be issued and any monies received from the placees and subscribers will be returned to them (at the placees' and subscribers' risk and without interest) as soon as possible thereafter.

The Placing Agreement contains customary warranties given by the Company to N+1 Singer as to matters relating to the Company and its business and as to matters relevant to the Company and an indemnity to N+1 Singer in respect of liabilities arising out of or in connection with the Placing. The Placing Agreement also contains customary rights of termination which could enable N+1 Singer to terminate the Placing in certain limited circumstances.

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares and, if any, the Open Offer Shares and the Additional Subscription Shares to be admitted to trading on AIM. Subject to passing of the Resolutions, it is expected that Admission will become effective and that dealings in the Placing Shares and the Subscription Shares will commence on 3 August 2018. The Placing Shares and the Subscription Shares will, when issued, be credited as fully paid and will rank equally in all respects with the Existing Ordinary Shares already in issue, including the right to receive all dividends and other distributions declared, made or paid in respect of such shares after the date of issue of the Placing Shares and the Subscription Shares.

## **8. The Open Offer**

### **8.1 Introduction**

The Board recognises and is grateful for the continued support received from Shareholders and therefore wishes to provide an opportunity for all existing Eligible Shareholders to participate in a further issue of new Ordinary Shares also at the Issue Price by way of the Open Offer.

The Open Offer is being made so as to enable all Eligible Shareholders to subscribe for new Ordinary Shares at the Issue Price on a *pro rata* basis to their current holdings and with the option for increasing their allocation pursuant to an Excess Application Facility.

The Open Offer has been structured so that it is not available to Non-Eligible Shareholders, being Shareholders resident or located in any Restricted Jurisdiction, although the Company is also undertaking the US Additional Subscription to certain US Eligible Participants. The Open Offer is being conducted concurrently with the US Additional Subscription. The Open Offer and the US Additional Subscription are conditional on the Placing and the Subscription being approved.

Your attention is drawn to the terms and conditions of the Open Offer in Part III of this document and to the risk factors in Part II of this document.

### **8.2 Details of the Open Offer**

#### **(a) Structure**

The Directors have considered the best way to structure the Open Offer, having regard to, *inter alia*, the importance of pre-emption rights to all Shareholders, the extent to which there are Overseas Shareholders, the regulatory requirements applicable to companies listed on AIM, cost implications and market risks. After considering these factors, the Directors have concluded that the most suitable structure for the Open Offer, for both the Company and its Shareholders as a whole, is that the Open Offer be made only to Eligible Shareholders who are not resident or located in any Restricted Jurisdiction.

The Open Offer provides an opportunity for all Eligible Shareholders to acquire Open Offer Shares *pro rata* to their current holdings of Existing Ordinary Shares as at the Record Date with the option for subscribing for more Ordinary Shares pursuant to the Excess Application Facility. The Issue Price for the Open Offer is the same as the Issue Price in the Placing. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

(b) *Principal Terms of the Open Offer*

The Open Offer is conditional on:

- the passing of Resolutions 1 and 2 to be proposed at the General Meeting; and
- Admission of the Open Offer Shares having occurred not later than 8.00 a.m. on 3 August 2018 (or such later time and/or date as N+1 Singer and the Company may agree, being not later than 8.00 a.m. on 31 August 2018).

Accordingly, if any of such conditions are not satisfied, the Open Offer will not proceed. It is a condition of the Open Offer that the Placing also proceeds. Further terms and conditions of the Open Offer are set out in Part III of this document and in the Application Form. Subject to the fulfilment of the conditions referred to above and set out below and also set out in Part III of this document, Eligible Shareholders are being given the opportunity to subscribe for the Open Offer Shares at the Issue Price per Open Offer Share, *pro rata* to their holdings of Existing Ordinary Shares on the Record Date on the basis of:

**635 Open Offer Shares for every 1,000 Existing Ordinary Shares**

Eligible Shareholders are also being given the opportunity, provided that they take up their Basic Entitlement in full, to apply for Excess Entitlements through the Excess Application Facility. Assuming full take-up under the Open Offer and the US Additional Subscription, the issue of the Open Offer Shares and the Additional Subscription Shares will raise gross proceeds of £1.0 million for the Company. The Open Offer is not underwritten. The Open Offer Shares will, upon issue, rank *pari passu* with the Existing Ordinary Shares.

Fractions of Open Offer Shares will not be allotted. The terms of the Open Offer provide that each Eligible Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. Fractions will be aggregated and made available under the Excess Application Facility. Eligible Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating the Basic Entitlements.

Eligible Shareholders with a holding of one Existing Ordinary Share will not receive a Basic Entitlement and will also not be able to apply under the Excess Application Facility.

It should be noted that the Open Offer is not a rights issue. Accordingly, the Application Form is not a document of title and cannot be traded.

(c) *Excess Application Facility*

The Excess Application Facility will enable Eligible Shareholders, provided that they take up their Basic Entitlement in full, to apply for Excess Entitlements. Eligible Non-CREST Shareholders who wish to apply to acquire more than their Basic Entitlement should complete the relevant sections on the Application Form. Eligible CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 4(ii)(j) of Part III of this document for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

Applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Eligible Shareholders are not made or are made for less than their Basic Entitlements. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all. Application will be made for the Basic Entitlements and Excess Entitlements in respect of Eligible CREST Shareholders to be admitted to CREST. It is expected that such Basic Entitlements and Excess Entitlements will be admitted to CREST by 6.00 p.m. on 16 July 2018. Applications through the means of the CREST system may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Eligible Non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Basic Entitlements allocated to them.

Eligible CREST Shareholders will have received a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlements by 16 July 2018. Eligible CREST Shareholders should note that although the Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Basic Entitlements will immediately lapse.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part III of this document and on the Application Form.

For Eligible Non-CREST Shareholders, completed Application Forms, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 31 July 2018. For Eligible CREST Shareholders the relevant CREST instructions must have been settled as explained in this document by no later than 11.00 a.m. on 31 July 2018.

(d) *Other information relating to the Open Offer*

The Open Offer will result in the issue of in aggregate 50,000,000 Open Offer Shares, assuming full take up under the Open Offer (representing, in aggregate, approximately 16.0 per cent. of the Enlarged Ordinary Share Capital, assuming full take up under the Open Offer and the US Additional Subscription). The Open Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and therefore rank equally for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued. Following the issue of the Open Offer Shares pursuant to the Open Offer (and assuming that the Open Offer and the US Additional Subscription are taken up in full), Eligible Shareholders who do not subscribe for any of their Open Offer Entitlements will suffer a dilution of approximately 297 per cent. to their interests in the Company. Eligible Shareholders who take up their Open Offer Entitlement in full will suffer a dilution of 233 per cent. to their interests in the Company.

(e) *Action to be taken in respect of the Open Offer*

(i) *Eligible Non-CREST Shareholders*

If you are an Eligible Non-CREST Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Basic Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer (whether in respect of your Basic Entitlement or both your Basic Entitlement and any Excess Entitlements), you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 4(i) of Part III of this document and on the Application Form itself.

(ii) *Eligible CREST Shareholders*

If you are an Eligible CREST Shareholder and do not hold any Ordinary Shares in certificated form, no Application Form accompanies this document and you will instead receive a credit to your appropriate stock account in CREST in respect of the Basic Entitlements representing your maximum entitlement under the Open Offer except (subject to certain exceptions) if you are a Non-Eligible Shareholder or an Overseas Shareholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction. Applications by Eligible CREST Shareholders for Excess Entitlements in excess of their Basic Entitlements should be made in accordance with the procedures set out in paragraph 4(ii)(j) of Part III of this document.



The latest time for applications under the Open Offer to be received is 11.00 a.m. on 31 July 2018. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Basic Entitlements credited to your stock account in CREST in respect of such entitlement.

The procedures for application and payment are set out in Part III of this document. Eligible CREST Shareholders who are CREST sponsored members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer.

(f) *Notice to Overseas Shareholders*

Information for Overseas Shareholders who have registered addresses outside the United Kingdom or who are citizens or residents of countries other than the United Kingdom appears in paragraph 7 of Part III of this document, which sets out the restrictions applicable to such persons. **If you are an Overseas Shareholder, it is important that you pay particular attention to paragraph 7 of Part III of this document.**

Neither the Placing Shares nor the Open Offer Shares have been, nor will be, registered under the US Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States to, or for the account or benefit of, a US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and such other applicable state securities laws.

Accordingly, the Placing Shares and the Open Offer Shares are being offered only outside the United States in reliance upon Regulation S under the US Securities Act in offshore transactions to investors who will be required to make certain representations to the Company and others prior to the investment in the Placing Shares and Open Offer Shares.

Neither the Placing Shares nor the Open Offer Shares have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of the Placing or the Open Offer or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

## 9. The US Additional Subscription

The Board wishes to provide an opportunity for certain US Persons who fall within applicable exemptions to the US Securities Act to participate in a further issue of new Ordinary Shares at the Issue Price by way of the US Additional Subscription. The US Additional Subscription is being made so as to enable certain US Eligible Participants to subscribe pursuant to applicable exemptions under the US Securities Act for new Ordinary Shares at the Issue Price.

The Company will undertake the US Additional Subscription by offering those US Persons the Company believes are US Eligible Participants and who may accept the US Additional Subscription under applicable exemptions from the US Securities Act.

The US Additional Subscription is conditional on the Placing, the Subscription and Open Offer being approved. The aggregate gross proceeds that will be raised by the Company pursuant to the US Additional Subscription and the Open Offer will be no more than £1.0 million.

## 10. Board discretion

The Board reserves the right to accept, reject or partially accept (or “scale back”) applications under the Open Offer and US Additional Subscription in its absolute discretion. Should the aggregate applications under the Open Offer and US Additional Subscription exceed the cap of 50,000,000 Ordinary Shares, the Board’s present intention is to “scale back” applications, so that the aggregate of Ordinary Shares issued pursuant to the Open Offer and US Additional Subscription will not exceed 50,000,000 Ordinary Shares.

In particular, should the aggregate applications under the Open Offer and US Additional Subscription exceed 50,000,000 Ordinary Shares, the Board will reduce the number of Open Offer Shares to be issued to each Eligible Shareholder, and the number of Additional Subscription Shares to US Eligible Participants, in its absolute discretion.

The Board reserves the right to offer any shortfall under the Open Offer and US Additional Subscription to Eligible Shareholders and US Eligible Participants. Excess applications under one offer will be applied to meet any shortfall under the other offer up to the cap of 50,000,000 Ordinary Shares (subject to the restrictions outlined in this Offer Document, including in the paragraph above).

A scale-back in any of those circumstances could mean that Eligible Shareholders are allocated Offer Shares in a number significantly less than the number applied for, and the extent of any scale-back may differ as between individual applicants. If there is a scale-back or if the Board determines to reject or only partially accept your application, the excess application monies will be refunded to you without interest as soon as practicable after the close of the Open Offer.

## 11. Directors' shareholdings and Director/PDMR dealings

Certain of the Directors and the Proposed Director have agreed to subscribe for Placing Shares and Subscription Shares. The number of Placing Shares and Subscription Shares subscribed for by each of these Directors and the Proposed Director pursuant to the Placing and the Subscription, and their resulting shareholdings on Admission (assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants), are set out below:

<b>Name</b>	<b>Number of Existing Ordinary Shares</b>	<b>Percentage of existing issued share capital</b>	<b>Number of Placing Shares subscribed for</b>	<b>Number of Subscription Shares subscribed for</b>	<b>Number of Ordinary Shares held on Admission</b>	<b>Percentage of Enlarged Share Capital on Admission*</b>
Bryan Dobson	83,500	0.11%	500,000	–	583,500	0.19%
Kevin Matthews	20,000	0.03%	–	–	20,000	0.01%
Robin Cridland	52,836	0.07%	–	–	52,836	0.02%
Julian Heslop	60,000	0.08%	600,000	–	660,000	0.21%
Michael Townend	64,940	0.08%	–	–	64,940	0.02%
James Barber	45,000	0.06%	700,000	–	745,000	0.24%
John Shaw (Proposed Director)	2,771,597	3.52%	–	23,500,000	33,173,097**	10.30%

\* Assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants.

\*\* Including 6,901,500 Ordinary Shares acquired pursuant to the Contingent Consideration and Merger Settlement Agreement including Ordinary Shares held by Kensington Research Holdings LLC, a corporation in which John Shaw is interested.

Yvon Durant and Laura Denner, persons discharging managerial responsibilities (“PDMR”), have agreed to subscribe for 1,250,000 Placing Shares and 1,125,000 Placing Shares, respectively, pursuant to the Placing.

Each of the above Director’s participation and the Proposed Director’s participation is conditional upon certain matters and events including, amongst other things, the passing of the Resolutions, the Placing Agreement having become unconditional and Admission of the Placing Shares becoming effective on or before 8.00 a.m. on 3 August 2018 (but in any event by no later than 8.00 a.m. on 31 August 2018).



## 12. Related party transactions

The following existing substantial Shareholders will be participating in the Placing:

	No. of Existing Ordinary Shares	Percentage of existing issued share capital	No. of Placing Shares subscribed for	No. of Ordinary Shares held following Admission	Percentage of Enlarged Share Capital following Admission*
Woodford Investment Management	26,988,000	34.28%	61,700,000	88,688,000	28.40%
IP2IPO Limited **	11,899,080	15.12%	21,000,000	32,899,080	10.54%
Janus Henderson Investors	9,370,500	11.90%	10,000,000	19,370,500	6.20%

\* Assuming take-up in full of the Open Offer by Eligible Shareholders and of the US Additional Subscription by US Eligible Participants

\*\* IP2IPO Limited is a subsidiary of IP Group plc. IP2IPO Limited and IP Venture Fund will hold 32,899,080 Ordinary Shares in aggregate upon Admission, representing approximately 10.54 per cent. of the Company's enlarged issue share capital.

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company's nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

Woodford Investment Management, Janus Henderson Investors and IP2IPO Limited, by virtue of being substantial shareholders (as defined by the AIM Rules), and IP2IPO Limited, by virtue of having a representative, Mike Townend, on the Board, are considered to be "related parties" as defined under the AIM Rules. Woodford Investment Management, Janus Henderson Investors and IP2IPO Limited's participations in the Placing constitute related party transactions for the purposes of rule 13 of the AIM Rules.

The Directors consider, having consulted with the Company's nominated adviser, N+1 Singer, that the terms of each of Woodford Investment Management's participation and Janus Henderson Investors' participation in the Placing is fair and reasonable insofar as the Shareholders are concerned.

The Directors, excluding Mike Townend, who is not considered independent by virtue of his directorships of IP2IPO Limited and IP Group plc consider, having consulted with the Company's nominated adviser, N+1 Singer, that the terms of IP2IPO Limited's participation in the Placing is fair and reasonable insofar as the Shareholders are concerned.

## 13. Admission and dealings

Application will be made to the London Stock Exchange for the Placing Shares, the Subscription Shares, the Open Offer Shares and the Additional Subscription Shares to be admitted to trading on AIM. It is expected that, subject to the passing of the Resolutions at the General Meeting, Admission will occur and dealings will commence in such shares on 3 August 2018 at 8.00 a.m. (or such later date as N+1 Singer and the Company may agree, being not later than 8.00 a.m. on 31 August 2018).

## 14. General Meeting

You will find in Part IV of this document the Notice convening the General Meeting to be held at Fieldfisher's offices, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT on 2 August 2018 at 11.00 a.m. to consider and, if thought appropriate, pass the resolutions to permit the Directors in substitution for all existing authorities for the allotment of shares by the Directors to:

- (a) allot Ordinary Shares and to grant rights to subscribe for or to convert any security into Ordinary Shares up to an aggregate nominal amount of £4,417,452 comprising:
  - (i) up to an aggregate nominal amount of £1,073,000 pursuant to the Placing;
  - (ii) up to an aggregate nominal amount of £612,600 pursuant to the Subscription;
  - (iii) up to an aggregate nominal amount of £500,000 pursuant to the Open Offer and the US Additional Subscription;

- (iv) up to an aggregate nominal amount of £150,000 together with a further aggregate nominal amount up to £6,000,000 pursuant to the Contingent Consideration and Merger Settlement Agreement;
  - (v) up to an aggregate nominal amount of £1,040,926 in connection with a rights issue, open offer, scrip dividend scheme or other pre-emptive offer where the Ordinary Shares or rights are offered first to existing holders of Ordinary Shares in proportion (as nearly or practicable) to their existing holdings of Ordinary Shares (representing approximately one third of the Enlarged Share Capital); and
  - (vi) otherwise than in connection with sub-paragraphs (i) to (v) above, up to an aggregate nominal amount of £1,040,926, again representing approximately one third of the Enlarged Share Capital.
- (b) subject to and conditional upon the passing of resolution 1, to allot equity securities for cash free of statutory pre-emption rights which would otherwise apply up to an aggregate nominal amount of £3,538,803 comprising:
- (i) up to an aggregate nominal amount of £1,073,000 pursuant to the Placing;
  - (ii) up to an aggregate nominal amount of £612,600 pursuant to the Subscription;
  - (iii) up to an aggregate nominal amount of £500,000 pursuant to the Open Offer and the US Additional Subscription;
  - (iv) up to an aggregate nominal amount of £1,040,926 in connection with a rights issues or other pre-emptive offers where Ordinary Shares or rights are offered first to existing holders of Ordinary Shares in proportion (as nearly as may be practicable) to their existing holdings of Ordinary Shares (representing approximately one third of the Enlarged Share Capital); and
  - (v) otherwise than in connection with the Placing or pursuant to a rights issue or other pre-emptive offer, up to an aggregate nominal amount of £312,277, representing approximately 10 per cent. of the Enlarged Share Capital.

These Resolutions enable the Directors to effect the Fundraising, to issue the Contingent Consideration Shares and any other contingent consideration shares under the Contingent Consideration and Merger Settlement Agreement, to issue Ordinary Shares up to approximately one third of the Enlarged Share Capital in connection only with a rights issue and also to issue further Ordinary Shares up to approximately ten per cent. of the Enlarged Share Capital for cash on a non-pre-emptive basis without requiring further shareholder approval.

The Resolutions will expire on the earlier of at the conclusion of the 2019 annual general meeting of the Company and the date falling 15 months from the passing of the Resolutions. The Directors have no present intention to exercise the powers referred to in sub-paragraphs (a)(vi) and (b)(v) above to issue up to ten per cent. of the Enlarged Share Capital for cash on a non-pre-emptive basis, but they consider having them in place is necessary to retain flexibility.

Resolution 1 will be proposed as an ordinary resolution. For an ordinary resolution to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 2 will be proposed as a special resolution. For a special resolution to be passed, at least three quarters of the votes cast must be in favour of the resolution.

## **15. Action to be taken in respect of the General Meeting**

You can vote in respect of your shareholding by attending the General Meeting or by appointing one or more proxies to attend the General Meeting and vote on your behalf. If you appoint a proxy, you may still attend and vote at the General Meeting in person should you decide to do so.

Whether or not you propose to attend the General Meeting in person, you are requested to appoint a proxy who will be able to vote for you if you are prevented from attending.

Proxies may be appointed by either:

- completing and returning the enclosed Form of Proxy; or

- using the CREST electronic proxy appointment service (for CREST members only).

In either case, the completion of a form of proxy should reach the Company's Registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 11.00 a.m. on 31 July 2018. Please refer to the Notes to the Notice and the enclosed Form of Proxy for detailed instructions.

The attention of Shareholders is drawn to the voting intentions of the Directors set out below.

## **16. Recommendation**

**The Directors believe that the Fundraising will promote the success of the Company for the benefit of the Shareholders as a whole. Itaconix is loss making and further funding is required, as highlighted in previous announcements. It is likely that failure to pass the Resolutions would ultimately lead to the Company entering into administration or some other form of insolvency procedure, assuming that alternative funding would not be available. Accordingly, they unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their legal and/or beneficial holdings, amounting, in aggregate to 326,276 Ordinary Shares, representing approximately 0.4 per cent. of the share capital of the Company as at the date of this document.**

Furthermore, John Shaw and Yvon Durant intend to vote, or procure votes, in favour of the Resolutions in respect to their own beneficial holdings amounting to (in aggregate) 3,299,169 Ordinary Shares, representing 4.2 per cent. of the share capital of the Company at the date of this document.

Shareholders are reminded that the Fundraising is conditional, amongst other things, on the passing of the Resolutions to be proposed at the General Meeting. Should the Resolutions not be passed, the Fundraising will not proceed and all subscription monies will be returned to investors.

Yours faithfully

**Bryan Dobson**  
*Chairman*

## PART II

### RISK FACTORS

The Directors believe that an investment in the Placing Shares, Subscription Shares, Open Offer Shares or Additional Subscription Shares may be subject to a number of risks. Eligible Shareholders, US Eligible Participants and prospective investors should consider carefully all of the information set out in this document and the risks attaching to an investment in the Company, including in particular the risks described below (which are not set out in any order of priority), before making any investment decision. In no event, however, is this document an offer, or a solicitation to offer, to any US Person for Ordinary Shares and shall not be construed as such.

The information below does not purport to be an exhaustive list and additional risks and uncertainties not presently known to the Directors, or considered immaterial by the Directors, may also adversely affect the Company and the Company's business, financial condition and results of operations. Eligible Shareholders and prospective investors should consider carefully whether an investment in Open Offer Shares or Additional Subscription Shares is suitable for them in the light of information in this document and their personal circumstances.

The Open Offer Shares and Additional Subscription Shares should be regarded as a highly speculative investment and an investment in Open Offer Shares and Additional Subscription Shares should only be made by those with the necessary expertise to fully evaluate the investment. Eligible Shareholders, US Eligible Participants and prospective investors are advised to consult an independent professional adviser authorised under FSMA.

If any of the following risks relating to the Company were to materialise, the Company's business, financial condition and results of future operations could be materially adversely affected. In such cases, the market price of the Open Offer Shares or Additional Subscription Shares could decline and an investor may lose part or all of his, her or its investment. Additional risks and uncertainty not presently known to the Directors, or which the Directors currently deem immaterial, may also have a material adverse effect upon the Company.

In addition to the usual risks associated with an investment in any company, the Directors consider the following risk factors to be significant to potential investors.

#### 1. General risks

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company's investments will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full amount invested.

The prices of shares and the income derived from them can go down as well as up. Past performance is not necessarily a guide to the future.

#### 2. Risks relating to the Company

##### ***Strategic refocus and early stage of revised operations***

The Company's business was established in 2005, and its vision is to be a specialty chemicals business that designs and manufactures high performance, cost effective and sustainable ingredients, based on polymers of itaconic acid, that are key components of products for use in the personal care, homecare and industrial sectors, thereby generating high margin business.

On 20 June 2016, the Company agreed to acquire Itaconix Corporation, a Delaware corporation and currently the wholly-owned subsidiary of Itaconix (U.K.) Limited, and on 31 October 2016, the Company completed its divestment of its nicotine gum business to the Danish company, Alkalon. The integration of the Company and Itaconix Corporation culminated in Revolymer plc being rebranded as Itaconix plc on 1 March, 2017 to emphasise the change in focus away from nicotine gum and to the acceleration of its development as a specialty chemicals business.

Even with this strategic refocus and whilst the Company has made initial sales of its products, the Company is still at a relatively early stage of commercial development. There can be no certainty that the Company will achieve increased or sustained revenues, profitability or positive cash flow from its operating activities. The development of the Company's revenues is difficult to predict and there is no guarantee that the Company will generate any material revenues in the foreseeable future. The Company has a limited operating history upon which its performance and prospects can be evaluated and faces the risks frequently encountered by developing companies. The risks include uncertainty as to which areas to target for growth. There can be no assurance that the Company's proposed operations will be profitable or produce a reasonable return, if any, on investment.

The Company still faces risks in looking to bring new products to the market. In particular, its future growth and prospects will depend on its ability to develop products which have broad commercial appeal, to secure commercialisation partnerships on appropriate terms, to manage growth and to continue to improve operational, financial and management information, quality control systems and its commercialisation function on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations.

### ***Divestment to Alkalon***

On 31 October 2016, the Company completed its divestment in its nicotine gum business to the Danish company, Alkalon. The consideration for this was a 15 per cent. equity holding in the combined new business. The Company currently expects to hold the investment in Alkalon for the medium to long term and has the right to appoint a director to the board of the combined business. Currently, Rob Cridland, the Company's Chief Financial Officer, is a director of Alkalon. There is no guarantee that the Company will receive any material revenues or return on their investment in Alkalon in the foreseeable future. The current interest is 22.5 per cent.

### ***History of operating losses and ability to secure funding***

The Company has experienced operating losses in each year since its inception. The Company may continue to incur losses for the foreseeable future. Accordingly, until the Company has sufficient commercial success to be cash generative it will continue to rely on its existing funds and the proceeds from the Fundraising and any further funding rounds to continue its activities. While the Company aims to generate significant revenues and growing revenues from its technologies over the next few years, there is no certainty it will be able to achieve such revenues. Furthermore, the amount and timing of the expenditure required to carry out the Company's product development activities are uncertain and will depend on numerous factors, some of which are outside the Company's control. The Company may, in the future, need to raise further equity funds to finance the Company's working capital requirements or to finance the growth of its future stages of development. It is therefore difficult to predict with accuracy the timing and amount of any further capital that may be required by the Company.

Factors that could increase the Company's funding requirements include, but are not limited to higher costs and slower progress than expected in developing and commercialising products or obtaining regulatory approvals; delays in finalising commercialisation agreements for existing products; slower progress than expected in securing commercialisation partners for the Company's new products; slower rate of market acceptance of the Company's technologies and the ability of the Company and its commercialisation partners to attract customers; unexpected opportunities to develop additional products or acquire additional technologies, products or businesses; and costs incurred in relation to the protection of the Company's intellectual property.

Similarly, there can be no certainty as to the future cash flows generated by the Company through its sales and licensing activities. Any additional share issues may have a dilutive effect on Shareholders. Further, there can be no guarantee or assurance that additional equity funding will be forthcoming when required, nor as to the terms and price on which such funds would be available, nor that such funds, if raised, would be sufficient to enable the Company to continue to implement its business strategy.

### ***Commercialisation***

The Company has and will continue to enter into arrangements with third parties in respect of the development, production, marketing and commercialisation of its products where appropriate, including contract manufacturers, distributors, agents and licensors. The Company does not intend to operate large-scale direct sales organisations. This commercialisation strategy may result in commercialisation partners demanding higher margins than may be the case with more traditional arrangements but the Company believes that the strategy has the potential to reduce risk by protecting the Company from having to incur significant direct sales and marketing expense and by utilising the established commercial footprint of potential future partners.

The Company's long-term success will depend both on its ability to enter into commercialisation partnerships and on its negotiation of appropriate terms for any future partnerships. Furthermore, the Company's negotiating position in agreeing terms for commercialisation may be affected by its size and limited cash resources relative to potential commercialisation partners with substantial cash resources and established levels of commercial success. An inability to enter into such arrangements on favourable terms, if at all, or disagreements between the Company and any of its potential partners could lead to reduced revenue and/or delays in the Company's product development and/or commercialisation plans and this may have a significant adverse effect on the Company's business, financial condition and results.

The results of any research and development undertaken with a partner under a partnership or joint development agreement may not meet the required specifications or expectations of that partner or be successful, attractive or acceptable in consumer trials. Accordingly, there can be no assurance that any of the joint development agreements or other cooperation with the Company's partners will result in a continuing partnership on favourable terms or at all, or in a licensing arrangement with those partners on favourable terms or at all, and that the Company will achieve any revenue, profitability or cash flow from such activities.

The loss of, or changes affecting, the Company's relationships with commercialisation partners could adversely affect the Company's results or operations and the Company will have limited input on the sales strategies adopted by any of its partners. Furthermore, although the Company will endeavour to include diligence obligations on its partners in all of its commercialisation agreements, there is a risk that commercialisation partners may reprioritise within their product portfolio resulting in the Company achieving sales below that which it expects.

Furthermore, some of the contracts entered into by the Company with its partners may require the Company to give wide indemnities to its partners, which can expose the Company to potentially significant liabilities. In addition, such contracts may also provide that the partner may terminate the agreement without cause, on short notice periods, or immediately. If such key partner contracts were to be terminated, or notice to terminate is served, or if the Company were to receive material claims under the indemnities or were to otherwise suffer a financial loss arising therefrom, the Company's financial performance and prospects may be adversely affected.

### ***Research and development risk***

The Company is engaged in designing, developing and formulating novel polymers to improve the performance of existing consumer products. The Company is therefore involved in complex scientific areas and new product development and industry experience indicates a high incidence of delay or failure to generate results. In particular, larger and external independent testing of the Company's technologies may not support the results from smaller internal studies. The Company may not be able to develop new technology solutions or identify specific market needs that can be addressed by technology solutions developed by the Company. The ability of the Company to develop new technology relies partly on the recruitment of appropriately qualified staff and engagement of third parties. The Company may be unable to find a sufficient number of appropriately highly trained individuals to satisfy its growth rate which could affect its ability to develop new technologies as planned. In addition, new products may face potential regulatory barriers which, by their nature, will vary, for example, by application, geography, or volume of business and thus which are difficult to anticipate at present and such regulatory barriers may have an adverse effect on the Company.

### ***Risk that the products will not achieve commercial success***

There can be no assurance that any of the Company's products currently in development will be successfully developed or commercialised or that, to the extent that development is undertaken ahead of securing a commercialisation partner, the resulting product will fit into a commercialisation partner's product portfolio without further development into any commercially viable product or products. Furthermore, there can be no assurance that any of the Company's proposed products will meet applicable regulatory standards, be manufactured in commercial quantities at an acceptable cost (or at all), be capable of being sold at prices that permit the Company and/or its commercialisation partners to operate profitably; or be sold in sufficient quantities to permit the Company and/or its commercialisation partners to operate profitably. If the Company or its partners encounter delays at any stage of development and fail to address successfully such delays, there may be material adverse effects on the Company's business, financial condition and results.

### ***Profitability depends on the success and market acceptance of current and new products***

The success of the Company will depend on the market's acceptance of its products and there can be no guarantee that this acceptance will be forthcoming or that the Company's technologies will succeed as an alternative to



other new products. The development and expansion of a market for the products is affected by many factors, some of which are beyond the Company's control, including the emergence of newer, more successful technologies and products and whether the specification, performance, quality and/or cost, of the Company's products meet customers' expectations or requirements for the formulation of new products. Notwithstanding the technical merits of a product developed by the Company, there can be no guarantee that the Company's targeted customer base for the product will purchase or continue to purchase the product in the same quantities or at all. If a market fails to develop or develops more slowly than anticipated, the Company may be unable to recover the losses it may have incurred in the development of its products and may never achieve profitability. In addition, the Company cannot guarantee that it will continue to develop, manufacture or market its products if market conditions do not support the continuation of such product. Any one of these factors could slow or reduce the Company's revenue development and may have a significant adverse effect on the Company's business, financial condition and results or operations.

### ***Limited product offering***

The Company currently only has a limited product offering, and problems with these products could impact future product extensions and roll-outs. Reflecting its early-stage nature, the Company only has three product lines on the market at the date of this document. Should the products fail to sell in sufficient volumes or the Company fail to receive the relevant regulatory approvals as it seeks to expand its markets for those products the Company may not have alternative sources of funds to develop new products or product versions.

### ***Intellectual property protection***

The Company is heavily dependent on its intellectual property and in particular its patents. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any copyright or patent protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's patents will be held valid if challenged, or that third parties will not claim rights in or ownership of the copyright, patents and other proprietary rights held by the Company.

Further, there can be no assurance that others have not developed or will not develop similar products, duplicate any of the Company's products or design around any patents held by the Company. Others may hold or receive patents which contain claims having a scope that covers products developed by the Company (whether or not patents are issued to the Company).

The Company may rely on patents to protect its assets. These rights act only to prevent a competitor copying and not to prevent a competitor from independently developing products that perform the same functions. No assurance can be given that others will not independently develop or otherwise acquire substantially equivalent techniques or otherwise gain access to the Company's unpatented proprietary technology or disclose such technology or that the Company can ultimately protect meaningful rights to such unpatented technology.

Once granted, a patent can be challenged both in the patent office and in the courts by third parties. Third parties can bring material arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction. Any one of these factors could slow or reduce the Company's revenue development and may have a significant adverse effect on the Company's business, financial condition and results or operations.

The Company also seeks to protect its branding and goodwill through the registration of trade marks. No assurance can be given that any pending trade mark applications or any future trade mark applications will result in granted registered trade marks, that any trade marks will be registered on a timely basis, that the form of the registered trade mark protection will exclude competitors or provide competitive advantages to the Company, that any of the Company's registered trade marks will be held valid if challenged, or that third parties will not claim rights in or ownership of the registered trade marks held by the Company. Any one of these factors could slow or reduce the Company's revenue development and may have a significant adverse effect on the Company's business, financial condition and results or operations.

A substantial cost may be incurred if the Company is required to assert its intellectual property rights, including any patents or trade marks against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Company will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Company's intellectual property rights and

activities. There is no assurance that obligations to maintain the Company's or partners' know how would not be breached or otherwise become known in a manner which provides the Company with no recourse.

Any claims made against the Company's intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Company's resources. A third party asserting infringement claims against the Company and its customers could require the Company to cease the infringing activity and/or require the Company to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly. In addition, the Company may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims will not have a material adverse effect on the Company's business, financial condition or results.

The Company has entered into, and anticipates entering into further joint development agreements with third parties. As is customary in such agreements, the parties typically set out a defined work plan and carry out certain research and development services in relation to the Company's polymer technology. Rights created during, or directly as a result of the work plans will belong to either of the two parties depending on which products the intellectual property relates to. These issues are addressed in the Company's joint development agreements and, in general, intellectual property arising outside the work plan or relating to polymers will belong to the Company. Any arising rights other than the aforementioned, including all those relating to, *inter alia*, consumer end products, uses, methods of manufacture, application and commercialisation of such consumer end products will typically belong to the partner. The Company may have the option to license such rights on terms as the parties may agree but there can be no assurance that such arrangements will be or entered into on favourable terms, or at all, and this may have a significant adverse effect on the Company's business, financial condition and results or operations.

### ***Security of intellectual property and the threat of cyber-attack***

Through its research and development activities and operations, the Company holds significant intellectual property. As such, there is a risk that its information technology systems could be subject to cyber-attack and result in the misappropriation or loss of key information. Should this occur, it is highly unlikely that the Company will have recourse against the perpetrators of such an attack or be able to take legal action against another business using this information to its advantage (where not protected by patents).

### ***Competition risk***

The Company may face significant competition from organisations which have much greater capital resources than the Company. Competitors and potential competitors may develop technologies and products that are less costly and/or more effective than the technology or products of the Company or which may make those of the Company uncompetitive. The Company's products may face competition from companies that have greater research, development, marketing, financial and personnel resources than the Company or its commercialisation partners. Technologies developed or acquired by the Company may have a shorter commercial life than anticipated, if any, due to the invention or development of more successful technology or applications by competitors who may have greater financial, marketing, operational and technological resources than the Company or its current and future commercialisation partners.

There is no assurance that the Company will be able to compete successfully within its business areas in such a marketplace.

### ***Existing inventory risk***

Products and materials manufactured for the Company typically have a defined shelf life. In the event that such products and materials are not sold to its commercialisation partners within a specific time period, the Company may be required to dispose of the materials at its own cost or enter into heavily discounted sales with its partners. Such eventualities may have a significant adverse effect on the Company's business, financial condition and result of operations.

### ***Counterparty risk***

There is a risk that parties with whom the Company trades or has other business relationships (including partners, customers, suppliers and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Company trades becomes insolvent, this could have an adverse impact on the Company's business, financial condition and result of operations.



### ***Dependence on third party suppliers***

The Company relies on a small number of third party suppliers for the manufacture of its products. If a supplier fails to provide services or products on time or to the required standard, and particularly where an alternative source of service or supply is not readily available, this could have a material adverse effect on the Company's business, financial condition and result of operations.

### ***Dependence on key personnel***

The Company's business, future success and ability to expand operations depends upon its ability to attract, hire, train and retain qualified professional, scientific and technical operating staff. The Company's success depends to a significant degree upon the continued contributions of its executive Directors and key personnel. The Company's future performance will be substantially dependent on its ability to retain and motivate such individuals. The loss of the services of its executive Directors or key personnel could prevent the Company from executing its business strategy. Moreover, the Company's future success depends in part on its ability to hire, train and retain key technical, sales, marketing, finance and executive personnel. The Company competes with a number of other organisations for suitable personnel. If the Company fails to retain and hire a sufficient number and type of personnel, it will not be able to maintain and expand its business. The Company may be required to increase spending to retain personnel.

The Company cannot give assurances that the Company's senior management team and the executive Directors will remain with the Company. The loss of the services of the executive Directors, members of senior management and other key employees could damage the value of an investment in the Ordinary Shares.

### ***Expansion of the Company's business into new markets may be constrained***

A key aspect of the Company's growth strategy envisages the Company expanding the business into new geographical territories and with new products. Expansion of the Company's business geographically and into other product areas may be constrained by local regulatory regimes. Whilst the Company believes that there are viable areas for growth over the medium to longer term, there can be no guarantee that the Company will successfully execute this strategy for growth which may have a material adverse effect on the Company's future performance, financial condition or business prospects.

### ***Legislative and regulatory current requirements and possible changes***

The manufacturing and marketing of the Company's products may be subject to regulation by government and regulatory agencies in the countries in which the Company operates. There are no assurances that regulatory clearances to manufacture and market its products will be obtained (either within the Company's expected timing, or at all). If the Company is not able to obtain regulatory clearances necessary for its operations, the Company may contravene applicable regulations and be subject to fines and penalties which may have an adverse impact on its business. Changes in legislation, regulatory policies or the discovery of regulatory problems with the products or their manufacture may result in the imposition of restrictions on the products or manufacture which may have an adverse impact on the Company's business.

### ***Product liability and insurance***

Some of the Company's products are employed in highly regulated markets. There is a risk that the Company may lose contracts or could be subject to fines or penalties for any non-compliance with the relevant industry regulations. Further, there is a risk of litigation and reputational damage, as well as product liability and indemnity risks. The Company may also be required to make significant expenditure in order to comply with present or new regulations. Whilst the Company endeavours to ensure that its products conform to the highest levels of applicable regulation, any product that proves detrimental to consumer health or safety could result in legal action being brought against the Company and/or result in reputational damage to the Company.

There can be no assurance that the necessary insurance coverage will be available to the Company at a commercially acceptable cost or that, in the event of any claim, the level or extent of insurance carried by the Company now or in the future will be adequate, or that a product liability or other claim would not materially and/or adversely affect the business of the Company.

### ***Environmental and safety regulation***

The Company's operations, including its development and testing facilities, are subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial. Although the Company believes that its procedures comply with applicable regulations, the risk of accidental contamination or injury from such materials cannot be eliminated. In the event of an incident, the resulting liabilities could have an adverse impact on the Company. Similarly, many of the Company's suppliers, collaborators and customers are subject to similar laws and regulations. Contravention of these laws and regulations by such parties could result in fines and penalties and have an adverse impact on the Company.

### ***Future regulatory restrictions***

Although not currently anticipated, it may be the case that the Company's products (now or in the future) could become subject to regulatory or other restrictions from regulatory bodies in particular industry sectors or with respect to particular applications. Should this occur, the Company may incur further research and/or development costs, or be required to apply for regulatory approvals (which may or may not be granted), that could have a material adverse effect on its financial position or prospects.

### ***The Company's disaster recovery plans may not be sufficient***

The Company depends on the performance, reliability and availability of its laboratory equipment and information technology systems. Any damage to or failure of its equipment and/or systems could result in disruptions to the Company's research and operations. The Company's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Company's business, financial position or prospects.

### ***The expenditure required by the Company may be more than currently anticipated***

There is a risk that the amounts the Company anticipates will be needed to fund its growth will be insufficient, that the anticipated timing of such investment may prove incorrect, or that the Company may be unable to raise the amounts required (if at all). The Company may not be able to generate revenues at the times targeted. Costs may be greater than planned, or timings may vary from those targeted.

### ***Planning uncertainty***

This document contains certain forward-looking statements that are subject to certain risks and uncertainties, in particular statements regarding the Company's plans, goals and prospects. These statements and the assumptions that underlie them are based on the current expectations of management and are subject to a number of factors, many of which are beyond their control. As a result, there can be no assurance that actual performance of the Company will not differ materially from the matters described in this document.

### ***Foreign currency risk***

A significant proportion of the Company's business is carried out, and is intended to be carried out in the future, outside the United Kingdom in various other jurisdictions and their national currencies. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Company's accounts, which could have a material impact on the Company's financial position or results of operations, as shown in the Company's accounts.

Additionally, as part of the Itaconix Merger, the deferred consideration payable to the former shareholders of Itaconix Corporation is denominated in US dollars and is retranslated to pounds sterling potentially resulting in significant debits or credits to the Company's profit and loss.

### ***Financial risk***

There are a number of financial risks which are outside the control of the Company and which can affect revenues and/or costs, and the Company does not hedge against such risks currently. These include varying international exchange rates, interest rates, world commodity prices, energy prices and supplies, raw materials prices and supplies, inflation and international trends in trade, tariffs and protectionism and changes in the legal and regulatory framework. There can be no assurance that such variables will not have a material adverse impact on the Company's financial position or results of operations.

### ***Tax risk***

Tax rules and their interpretation may change. Any change in any member of the Company's tax status or to taxation legislation or its interpretation may affect the Company's ability to provide returns to Shareholders.

### ***Legal risk***

Legal risks include the inability to enforce security arrangements, an absence of adequate protection for intellectual property rights, an inability to enforce foreign judgments relating to contracts entered into by the Company that are governed by law outside England and Wales, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language. Mitigation measures for these risks are limited.

## **Risks relating to Ordinary Shares**

### ***General***

An investment in the Ordinary Shares is only suitable for investors capable of evaluating the risks (including the risk of capital loss) and merits of such investment and who have sufficient resources to sustain a total loss of their investment. An investment in the Ordinary Shares should be seen as long-term in nature and complementary to investments in a range of other financial assets and should only constitute part of a diversified investment portfolio. Accordingly, typical investors in the Company are expected to be institutional investors, private client fund managers and private client brokers, as well as private individuals who have received advice from their professional advisers regarding investment in the Ordinary Shares and/or who have sufficient experience to enable them to evaluate the risks and merits of such investment themselves.

### ***Investment in AIM securities and liquidity of the Ordinary Shares***

An investment in companies whose shares are traded on AIM are perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The AIM Rules are less demanding than the rules to which companies listed on the Official List are subject. The future success of AIM and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may become or may be relatively illiquid and therefore, such Ordinary Shares may be or may become difficult to sell.

The market for the Ordinary Shares may be highly volatile and subject to wide fluctuations in response to a variety of potential factors which could lead to losses for Shareholders. These potential factors include amongst others: any additions or departures of key personnel, litigation and press, newspaper and/or other media reports.

Prospective investors should be aware that the value and/or market price of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than or lose all of their investment.

### ***Trading market for the Ordinary Shares***

The share price of emerging companies can be highly volatile and shareholdings illiquid. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and its operations and others to the AIM market in general including, but not limited to, variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes, changes in earnings estimates by stock market analysts, general economic conditions or legislative changes in the Company's sector. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares. The trading of the Ordinary Shares on AIM should not be taken as implying that there will be a liquid market for the Ordinary Shares and there is no guarantee that an active market will continue to develop or be sustained. It may be more difficult for an investor to realise his investment in the Company than in a company whose shares are quoted on the Official List.

### ***Additional capital and dilution***

The Company anticipates that it will require additional capital to further its strategy, assuming the Company fails to generate sufficient revenue from sales of its products, royalties and/or milestone payments. Therefore, it may

need to raise additional capital in the future, whether from equity or debt sources, to fund its strategy. In addition, circumstances may arise in which the Company wishes to accelerate its strategy and/or enter into additional markets, requiring additional capital. If the Company is unable to obtain this financing on terms acceptable to it then it may be forced to curtail its development. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a *pro rata* basis to existing Shareholders, the percentage ownership of such Shareholders may be substantially diluted. There is no guarantee that the then prevailing market conditions will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at the same price as offered hereby or higher.

### ***Dividends***

The Directors' intention is for the Company to reinvest any net cash generated from operations to finance the growth and expansion of its business, and accordingly does not intend for the Company to pay any dividends in the foreseeable future. Any declaration and payment of dividends in the future by the Company will be dependent upon the Company's results, financial position, cash requirements, future prospects, profits available for distribution and other factors regarded by the Company as relevant at the time. Consequently, the Company may never pay dividends.

### ***No guarantee that the Ordinary Shares will continue to be traded on AIM***

The Company cannot assure investors that the Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

**The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Open Offer Shares.**

**Potential investors should consider that an investment in the Company is speculative and that any Open Offer Shares purchased carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Open Offer Shares.**

## PART III

# TERMS AND CONDITIONS OF THE OPEN OFFER

### 1. Introduction

As explained in the letter from the Chairman set out in Part I of this document, the Company is proposing to issue up to 50,000,000 Open Offer Shares and Additional Subscription Shares pursuant to the Open Offer and the US Additional Subscription in aggregate in order to raise up to £1.0 million. Upon completion of the Open Offer and US Additional Subscription, (assuming a full take-up of the Open Offer and of the US Additional Subscription), the Open Offer Shares and Additional Subscription Shares will represent approximately 16.0 per cent. of the Enlarged Share Capital.

Eligible Shareholders are being offered the opportunity under the Open Offer to acquire Open Offer Shares at the Issue Price. The Issue Price of the Open Offer Shares represents a discount of 70.4 per cent. to the Closing Price of 6.75 pence per Existing Ordinary Share on 28 June 2018 (being the day prior to the suspension of the Ordinary Shares from trading on AIM).

A summary of the arrangements relating to the Open Offer is set out in this Part III. This Part III and, where relevant, the Application Form contain the formal terms and conditions of the Open Offer.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 31 July 2018.

The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Basic Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are further set out in this Part III.

### 2. The Open Offer

Subject to the fulfilment of the terms and conditions referred to in this Part III and, where relevant, set out in the Application Form, Eligible Shareholders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full in cash on application, free of all expenses, on the basis of:

- (a) 635 Open Offer Shares for every 1,000 existing Ordinary Shares held by Eligible Shareholders at the Record Date and so in proportion for any other number of Ordinary Shares then held; and
- (b) further Open Offer Shares in excess of their Basic Entitlement through the Excess Application Facility (although such Open Offer Shares will only be allotted to the extent that not all Eligible Shareholders apply for their Basic Entitlement in full).

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer. Fractions of Open Offer Shares will not be allotted and each Eligible Shareholder's entitlement shall be rounded down to the nearest whole number.

Eligible Shareholders may apply for any whole number of Open Offer Shares up to their maximum entitlement which, in the case of Eligible Non-CREST Shareholders, is equal to the number of Basic Entitlements as shown on their Application Form or, in the case of Eligible CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST. If they so wish, Eligible Shareholders may apply for Open Offer Shares in excess of their Basic Entitlement provided that they take up their Basic Entitlement in full. To apply for any Excess Entitlements, Eligible Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form. Eligible CREST Shareholders will have Excess Entitlements credited to their stock account in CREST and should refer to paragraph 4(ii)(j) of Part III of this document for information on how to apply for Excess Entitlements pursuant to the Excess Application Facility.

Applications for Excess Entitlements will be satisfied only to the extent that corresponding applications by other Eligible Shareholders are not made or are made for less than their Basic Entitlements. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its

absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

Any monies paid for applications in excess of their Basic Entitlements which are not so satisfied will be returned to the Applicant (at the Applicant's risk) without interest within 14 days by way of cheque or CREST payment, as appropriate. The action to be taken in relation to the Open Offer depends on whether, at the time at which application and payment is made, an Applicant has an Application Form in respect of an entitlement under the Open Offer or has Basic Entitlements credited to a stock account in CREST in respect of such entitlement.

**Not all Shareholders will be Eligible Shareholders. Overseas Shareholders who are located in, or who are citizens or residents of, or have a registered address in certain overseas jurisdictions (including, without limitation, any Restricted Jurisdiction) will not qualify to participate in the Open Offer. The attention of Overseas Shareholders or any person (including without limitation a custodian, nominee or trustee) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom is drawn to paragraph 7 of this Part III.**

If you have received an Application Form with this document, please refer to paragraph 4(i) and paragraphs 5 to 8 of this Part III.

If you hold your Ordinary Shares in CREST and have received a credit of Basic Entitlements to your CREST stock account, please refer to paragraph 4(ii) and paragraphs 5 to 8 of this Part III and also to the CREST Manual for further information on the CREST procedures referred to below.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission of the Open Offer Shares will become effective and that dealings for normal settlement in the Open Offer Shares on AIM will commence at 8.00 a.m. on 3 August 2018.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the Open Offer Shares; all of such shares, when issued and fully paid, may be held and transferred by means of CREST.

Eligible Non-CREST Shareholders will have received an Application Form with this document which sets out their entitlement to Open Offer Shares as shown by the number of Basic Entitlements allocated to them. Eligible CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlements on 16 July 2018.

The Open Offer Shares will be issued fully paid and will be identical to, and rank *pari passu* in all respects with, the Existing Ordinary Shares and will rank for all dividends or other distributions declared, made or paid after the date of issue of the Open Offer Shares. No temporary documents of title will be issued.

**The Open Offer is not a rights issue. Eligible Shareholders should be aware that in the Open Offer, unlike in a rights issue, entitlements to subscribe for Open Offer Shares at the Issue Price will neither be tradeable nor sold in the market and in the event that any Open Offer Shares not applied for are sold or placed in the market, this will be for the benefit of the Company and not the Eligible Shareholders who do not apply under the Open Offer. Eligible Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.**

**Eligible CREST Shareholders should note that although the Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit.**

**Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all of the information in this document, including in particular the important information set out in the letter from the Chairman in Part I of this document and the risk factors set out in Part II of this document, as well as the terms and conditions set out in this Part III of this document. The Open Offer is not underwritten.**



### 3. Conditions and further terms of the Open Offer

The Open Offer is conditional, upon (a) the passing of Resolutions 1 and 2 at the General Meeting; and (b) Admission of the Open Offer Shares having occurred by not later than 8.00 a.m. on 3 August 2018 (or such later time and/or date as N+1 Singer and the Company may agree, not being later than 31 August 2018). Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Open Offer will not proceed. The Open Offer is conditional on the Placing and the Subscription.

Further terms of the Open Offer are set out in this Part III and in the Application Form.

### 4. Procedure for application and payment

Save as provided in paragraph 7 of this Part III in relation to Overseas Shareholders, the action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer, including the Excess Application Facility, or you have Basic Entitlements and Excess Entitlements credited to your CREST stock account in respect of such entitlement.

Eligible Shareholders who hold part of their Existing Ordinary Shares in uncertificated form on the Record Date and who take up Open Offer Shares under their entitlement will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. Further information on deposits into CREST is set out in paragraph 4(ii)(f) of this Part III.

CREST sponsored members should refer to their CREST Sponsor, as only their CREST Sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below. If for any reason it becomes necessary to adjust the expected timetable as set out in this document the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

Eligible Shareholders who do not wish to partake in the Open Offer should not complete or return the Application Form or submit a USE instruction through CREST. Eligible Shareholders who hold their Ordinary Shares through a nominee and who wish to partake in the Open Offer must contact their nominee who will be able to apply for Open Offer Shares directly using an Application Form or submitting a USE instruction through CREST.

#### (i) ***If you have an Application Form in respect of your entitlement under the Open Offer***

##### (a) *General*

Each Eligible Non-CREST Shareholder will have received an Application Form accompanying this document. The Application Form shows the number of Existing Ordinary Shares registered in the relevant Eligible Non-CREST Shareholder's name at the close of business on the Record Date. It also shows the number of Open Offer Shares for which such relevant Eligible Non-CREST Shareholder is entitled to apply for under the Open Offer, calculated at the Issue Price and on the basis set out in paragraph 2 of this Part III. Eligible Non-CREST Shareholders may also apply for less than their maximum Basic Entitlements.

**The instructions and other terms set out in the Application Form constitute part of the terms of the Open Offer.**

The Excess Application Facility enables Eligible Shareholders, who have taken up their Basic Entitlement in full, to apply for Open Offer Shares in excess of their Basic Entitlement. Applications in excess of the Basic Entitlement will only be satisfied to the extent that applications made by other Eligible Shareholders are less than their full Basic Entitlements and may therefore be scaled back in such manner as the Company shall, in its absolute discretion, determine.

##### (b) *Market claims*

Applications for Open Offer Shares (including under the Excess Application Facility) may only be made on the Application Form and may only be made by the Eligible Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of existing Ordinary Shares through the market prior to the date upon which the existing Ordinary Shares were marked

“ex” the entitlement to the Open Offer by AIM, being 7.00 a.m. on 13 July 2018. Application Forms may be split in circumstances described in paragraph 4(i)(c) of this Part III up to 3.00 p.m. on 27 July 2018.

Eligible Non-CREST Shareholders may also apply for Excess Entitlements in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 7 & 8 of the Application Form for the total number of Open Offer Shares for which they wish to make an application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4(i)(f) of this Part III.

The Application Form is not a negotiable document and cannot be separately traded. An Eligible Non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 7.00 a.m. on 13 July 2018, being the date upon which the existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by AIM, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer (including under the Excess Application Facility) may be a benefit which may be claimed by the transferee from his counterparty pursuant to the rules of the London Stock Exchange. Eligible Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 11 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into any of the Restricted Jurisdictions, to US Persons or to Non-Eligible Shareholders.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4(ii)(b) of this Part III.

An Eligible Non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agent. However, he or she is strongly encouraged to still complete and return the Form of Proxy to the Registrars for the purposes of exercising votes at the General Meeting.

(c) *Application procedures*

Applications for Open Offer Shares (including under the Excess Application Facility) by Eligible Non-CREST Shareholders may only be made on the Application Form, which is personal to the Eligible Non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below.

Eligible Non-CREST Shareholders may also apply for Excess Entitlements in excess of their *pro rata* entitlement to Open Offer Shares by completing Boxes 7 and 8 of the Application Form for the total number of Open Offer Shares for which they wish to make an application (including their *pro rata* entitlement) and submitting the amount payable on such application. Further details on the Excess Application Facility are set out in paragraph 4(i)(f) of this Part III.

An Eligible Non-CREST Shareholder who does not wish to apply for any of the Open Offer Shares to which he or she is entitled should not return a completed Application Form to the Receiving Agent.

If you are a Eligible Non-CREST Shareholder and wish to apply for all or some of your entitlement to Open Offer Shares under the Open Offer (including any application for any Excess Entitlements under the Excess Application Facility) you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance, by post or by hand (during normal business hours only) to the Company’s UK Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to arrive no later than 11.00 a.m. on 31 July 2018. A reply paid envelope is enclosed for use by Eligible Non-CREST Shareholders in connection with the Open Offer. Your Application Form will not be valid unless you sign it.



The Application Form represents a right personal to the Eligible Non-CREST Shareholders to apply to subscribe for Open Offer Shares (including under the Excess Application Facility at the Issue Price). The Application Form is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange.

Application Forms may be split up to 3.00 p.m. on 27 July 2018 but only to satisfy such *bona fide* market claims. Eligible Non-CREST Shareholders who have before the 'ex' date sold or transferred all or part of their shareholdings are advised to consult their stockbroker, bank or agent through whom the sale or transfer was effected or another professional adviser authorised under FSMA as soon as possible. The invitation to apply for Open Offer Shares (including under the Excess Application Facility) may represent a benefit which can be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

Eligible Non-CREST Shareholders who submit a valid application using the Application Form and accompanying payment will (subject to the terms and conditions set out in this Part III, in the letter from the Chairman of the Company in Part I of this document and in the Application Form) be allocated the Open Offer Shares applied for in full at the Issue Price (subject to the Company's discretion to accept, reject or scale back any application for any Open Offer Shares).

Applications will be irrevocable and, once submitted, may not be withdrawn and their receipt will not be acknowledged. The Company reserves the right to treat any application not strictly complying with the terms and conditions of application as nevertheless valid.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk.

If Open Offer Shares have already been allotted to an Eligible Non-CREST Shareholder and such Eligible Non-CREST Shareholder's cheque or a duly endorsed banker's draft is not honoured upon first presentation or such Eligible Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall arrange (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Eligible Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, the Company or any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Eligible Non-CREST Shareholders.

Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to Open Offer Shares under the Open Offer. If any Application Form is sent by first class post within the United Kingdom, Eligible Non-CREST Shareholders are recommended to allow at least four Business Days for delivery. The Company may in its absolute discretion elect to accept Application Forms and remittances after 11.00 a.m. on 31 July 2018. The Company may also (in its sole discretion) elect to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions, or if it does not strictly comply with the terms and conditions of application. Applications will not be acknowledged.

**The Company also reserves the right (but shall not be obliged) to accept applications in respect of which remittances are received prior to 11.00 a.m. on 31 July 2018 from an authorised person (as defined in FSMA) specifying the number of Open Offer Shares concerned, and undertaking to lodge the relevant Application Form in due course.**

(d) *Payments*

All payments must be in pounds sterling and cheques or duly endorsed banker's drafts should be made payable to "Link Market Services Limited re Itaconix plc Open offer A/C" and crossed "A/C payee only". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom, Channel Islands or the Isle of Man which is a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any

of those companies and must bear the appropriate sort code in the top right hand corner. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the back of the building society cheque or bankers' draft on the reverse to such effect.

Payments will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be payable as funds held in a non-interest bearing account. It is a fundamental term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid Acceptance Forms in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 3 August 2018 or such later time and date as the Company shall agree (being no later than 31 August 2018), the Open Offer will lapse and application monies will be returned by post to Applicants within 14 days, at the Applicants' risk and without interest, to the address set out on the Application Form.

The Company shall as soon as practicable refund any payment received with respect to an application for a number of Open Offer Shares in respect of a Basic Entitlement which has been rejected in whole or in part by the Company.

(e) *Effect of application*

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (i) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (ii) confirm to the Company and N+1 Singer that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation of this document shall have any liability for any such information or representation not so contained and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (iii) represent and warrant to the Company and N+1 Singer that to the extent that you have received some or all of your Basic Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Basic Entitlements by virtue of a *bona fide* market claim;
- (iv) represent and warrant to the Company and N+1 Singer that you are not (i) a Non-Eligible Shareholder; or (ii) a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of a Restricted Jurisdiction or any other jurisdiction in which the application for Open Offer Shares is prevented by law and are not applying on behalf of, or with a view to offering, selling, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company that I am/we are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares;

- (v) represent and warrant to the Company and N+1 Singer that you are not otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of such person(s) on a non-discretionary basis;
- (vi) represent and warrant to the Company and N+1 Singer as follows: (i) you have not received the Application Form or any other document relating to the Open Offer in a Restricted Jurisdiction, nor have you mailed, transmitted or otherwise distributed or forwarded any such document in or into a Restricted Jurisdiction; (ii) you are not and were not located in a Restricted Jurisdiction at the time you accepted the Application Form or at the time you returned the Application Form; and (iii) if you are acting in a fiduciary, agency or other capacity as an intermediary, then either (A) you have full investment discretion with respect to the Open Offer Shares covered by the Application Form or (B) the person on whose behalf you are acting was located outside a Restricted Jurisdiction at the time he or she instructed you to submit the Application Form;
- (vii) request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and the Application Form, subject to the articles of association of the Company;
- (viii) confirm to the Company and N+1 Singer that in submitting an Application Form you are not relying on and have not relied on the Company or N+1 Singer or any person affiliated with the Company or N+1 Singer in connection with any investigation of the accuracy of any information contained in this document or in relation to your investment decision;
- (ix) represent and warrant to the Company and N+1 Singer that you are not and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (x) represent and warrant to the Company and N+1 Singer that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (xi) acknowledge that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and MAR (the “**Exchange Information**”), and that you are able to obtain or access the Exchange Information without undue difficulty.
- (xii) acknowledge that none of the Company, N+1 Singer nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person; and
- (xiii) represent and warrant to the Company and N+1 Singer that the purchase by you of Open Offer Shares does not trigger in the jurisdiction in which you are resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action.

If you are unable to provide such representations and warranties you will be deemed not to have validly submitted an Application Form for Open Offer Shares, save only in the discretion of the Company and then subject to certain conditions.

You should note that Application Forms once submitted will be irrevocable. The Company reserves the right (but shall not be obliged) to treat any Application Form not strictly complying in all respects with the terms and conditions of application as nevertheless valid.

**If you do not wish to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.**

If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. For all enquiries in relation to the procedure for application for Eligible Non-CREST Shareholders under the Open Offer please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that the Shareholder Helpline cannot provide comments on the merits of the Open Offer, or legal, financial or taxation advice.

(f) *The Excess Application Facility*

Provided that an Eligible Non-CREST Shareholder chooses to take up their Basic Entitlement in full, the Excess Application Facility enables Eligible Non-CREST Shareholders to apply for Open Offer Shares in excess of their Basic Entitlements. Any such applications will be granted at the absolute discretion of the Company.

Applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Eligible Shareholders are not made or are made for less than their Basic Entitlements. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

Eligible Non-CREST Shareholders who wish to apply for Open Offer Shares in excess of their Basic Entitlement must complete the Application Form in accordance with the instructions set out on the Application Form.

Should the Open Offer become unconditional and applications for Open Offer Shares exceed the 50,000,000 Open Offer Shares being made available to Eligible Shareholders as a result of applications made in respect of the Excess Application Facility, resulting in a scaling back of applications, each Eligible Non-CREST Shareholder who has made a valid application for Open Offer Shares under the Excess Application Facility and from whom payment in full for such Open Offer Shares has been received in cleared funds will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for under the Excess Application Facility but not allocated to the relevant Eligible Non-CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest and at the Applicant's sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number and aggregated for the Excess Application Facility.

(ii) ***If you have Basic Entitlements and Excess Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(a) ***General***

Subject as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, each Eligible CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply under the Open Offer. Eligible CREST Shareholders may also apply for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility. Further details of the Excess Application Facility can be found in paragraph 4(ii)(j) of this Part III.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Eligible CREST Shareholder in respect of which the Basic Entitlements and Excess Entitlements have been allocated.

If for any reason the Basic Entitlements cannot be admitted to CREST by, or the stock accounts of Eligible CREST Shareholders cannot be credited by 3.00 p.m. on 16 July 2018 or such later time as the Company may decide, an Application Form will be sent out to each Eligible CREST Shareholder in substitution for the Basic Entitlements and Excess Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Eligible Non-CREST Shareholders with Application Forms will apply to Eligible CREST Shareholders who receive Application Forms.

Eligible CREST Shareholders who wish to apply for some or all of their entitlements to Open Offer Shares (including any applications for Excess Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. For all enquiries in relation to the procedure for application for Eligible Non-CREST Shareholders under the Open Offer please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Please note that the Shareholder Helpline cannot provide comments on the merits of the Open Offer, or give legal, financial or taxation advice.

If you are a CREST sponsored member you should consult your CREST Sponsor if you wish to apply for Open Offer Shares (including any applications for Excess Entitlements) as only your CREST Sponsor will be able to take the necessary action to make this application in CREST.

(b) ***Market claims***

The Basic Entitlements and Excess Entitlements will have separate ISIN/SEDOL numbers and will constitute separate securities for the purposes of CREST. Although Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and Excess Entitlements may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction.

Transactions identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess Entitlement(s) will thereafter be transferred accordingly.

(c) *USE Instructions*

Eligible CREST Shareholders who wish to apply for Open Offer Shares in respect of all or some of their Basic Entitlements and Excess Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST Sponsor sends) a USE instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Link Market Services under the participant ID and member account ID specified below, with a number of Basic Entitlements or Excess Entitlements corresponding to the number of Open Offer Shares or Excess Entitlements applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Link Asset Services in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares or Excess Entitlements referred to in (i) above.

(d) *Content of USE instructions in respect of Basic Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlement(s) being delivered to Link Asset Services);
- (ii) the ISIN of the Basic Entitlement. This is GB00BDZ9ZY17;
- (iii) the participant ID of the accepting CREST member;
- (iv) the member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (v) the participant ID of Link Asset Services, in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Link Asset Services, in its capacity as CREST receiving agent. This is 29751ITA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 31 July 2018; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 31 July 2018.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 31 July 2018 in order to be valid is 11.00 a.m. on that day.



(e) *Content of USE instructions in respect of Excess Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of Excess Entitlement(s) being delivered to Link Asset Services);
- (ii) the ISIN of the Excess Entitlement. This is GB00BDZ9ZZ24;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess Entitlements are to be debited;
- (v) the Participant ID of Link Asset Services in its capacity as a CREST receiving agent, which is 7RA33;
- (vi) the member account ID of Link Asset Services in its capacity as CREST receiving agent, which is 29751ITA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date, which must be before 11.00 a.m. on 31 July 2018; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 31 July 2018.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to their USE instruction:

- (iii) a contact name and telephone number (in the free format shared note field); and
- (iv) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST Sponsors, should note that the last time at which a USE instruction may settle in order to be valid is 11.00 a.m. on 31 July 2018. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 3 August 2018 or such later time and date as the Company shall agree (being no later than 31 August 2018), the Open Offer will lapse, the Basic Entitlements and Excess Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Eligible CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The Open Offer cannot be revoked once all conditions have been satisfied.

(f) *Deposit of Basic Entitlements into, and withdrawal from, CREST*

An Eligible Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Eligible Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements and Excess Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is



reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and Excess Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 31 July 2018.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Basic Entitlements in CREST, is 3.00 p.m. on 26 July 2018, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST is 4.30 p.m. on 25 July 2018, in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and Excess Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlements and Excess Entitlements prior to 11.00 a.m. on 31 July 2018.

Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Eligible Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes on page 3 of the Application Form, and a declaration to the Company from the relevant CREST member(s) that it/they is/are not citizen(s) or resident(s) of any of the Restricted Jurisdictions and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 31 July 2018 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

**CREST members and (where applicable) their CREST Sponsors should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST Sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 31 July 2018. In this connection CREST members and (where applicable) their CREST Sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.**

(i) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares and/or Excess Entitlements as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question;

- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question (without interest).

(j) *The Excess Application Facility*

Provided that an Eligible CREST Shareholder chooses to take up their Basic Entitlement in full, the Excess Application Facility enables Eligible CREST Shareholders to apply for Open Offer Shares in excess of their Basic Entitlements. Any such applications will be granted at the absolute discretion of the Company.

Applications for Excess Entitlements will be satisfied only and to the extent that corresponding applications by other Eligible Shareholders are not made or are made for less than their Basic Entitlements. Once subscriptions by Eligible Shareholders under their respective Basic Entitlements have been satisfied, the Company shall, in its absolute discretion, determine whether to meet any excess applications in full or in part and no assurance can be given that applications by Eligible Shareholders under the Excess Application Facility will be met in full, in part or at all.

An Excess Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 7 of this Part III in relation to certain Overseas Shareholders, the CREST accounts of Eligible CREST Shareholders will be credited with an Excess Entitlement in order for any applications for Excess Entitlements to be settled through CREST. The credit of such Excess Entitlement does not in any way give Eligible CREST Shareholders a right to the Open Offer Shares attributable to the Excess Entitlement as an Excess Entitlement is subject to scaling back in accordance with the terms of this document.

To apply for Excess Entitlements pursuant to the Open Offer, Eligible CREST Shareholders should follow the instructions above and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Basic Entitlement and the relevant Basic Entitlement(s) be transferred, the Excess Entitlements will not transfer with the Basic Entitlement(s) claim, but will be transferred as a separate claim.

Should an Eligible CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess Entitlement credited to CREST, and allocated to the relevant Eligible Shareholder, will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess Entitlement.

Should the Open Offer become unconditional and applications for Open Offer Shares by Eligible Shareholders under the Open Offer exceed the number of Open Offer Shares being made available, resulting in a scaling back of applications under the Excess Application Facility, each Eligible CREST Shareholder who has made a valid application for Excess Entitlements under the Excess Application Facility, and from whom payment in full for the Excess Entitlement has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Eligible CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable, without payment of interest, and at the Applicant’s sole risk.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

(k) *Scale back of applications*

The Board reserves the right to accept, reject or partially accept (or “scale back”) applications under the Open Offer in its absolute discretion. Should the aggregate applications under the Open Offer and US Additional Subscription exceed the cap of 50,000,000 Ordinary Shares, the Board’s present intention is to “scale back” applications. In particular, should the aggregate applications under the Open Offer and US Additional Subscription exceed 50,000,000 Ordinary Shares, the Board may reduce the number of Open Offer Shares to be issued to each Eligible Shareholder in its absolute discretion.

The Board reserves the right to offer any shortfall under the Open Offer to US Eligible Participants. A scale-back in any of those circumstances could mean that Eligible Shareholders are allocated Open Offer Shares in a number significantly less than the number applied for, and the extent of any scale-back may differ as between individual applicants. If there is a scale-back or if the Board determines to reject or only partially accept your application, the excess application monies will be refunded to you without interest as soon as practicable after the close of the Open Offer.

(I) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Link Asset Services' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) confirm to the Company and N+1 Singer that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation of this document shall have any liability for any such information or representation not so contained and that having had the opportunity to read this document you will be deemed to have notice of all the information concerning the Group contained within this document;
- (iii) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the articles of association of the Company;
- (iv) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (v) represent and warrant to the Company and N+1 Singer that he is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of the application to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction except where proof satisfactory to the Company has been provided to the Company and that he is able to accept the invitation by the Company of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (vi) represent and warrant to the Company and N+1 Singer that he is not and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986;
- (vii) confirm to the Company and N+1 Singer that in making such application he is not relying on any information in relation to the Company other than that contained in publicly available information and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof, shall have any liability for any such other information and further agrees that he will be deemed to have had notice of all the information concerning the Group contained within this document;
- (viii) represent and warrant to the Company and N+1 Singer that he is the Eligible Shareholder originally entitled to the Basic Entitlements or that he has received such Basic Entitlements and Excess Entitlements by virtue of a *bona fide* market claim;

- (ix) represent and warrant to the Company and N+1 Singer that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (x) confirm to the Company and N+1 Singer that in making the application you are not relying on and have not relied on the Company, N+1 Singer or any person affiliated with the Company or N+1 Singer in connection with any investigation of the accuracy of any information contained in this document or your investment decision;
- (xi) acknowledge that the Existing Ordinary Shares are admitted to trading on AIM and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules and MAR (the “**Exchange Information**”), and that you are able to obtain or access the Exchange Information without undue difficulty.
- (xii) acknowledge that none of the Company, N+1 Singer nor any person acting on their behalf nor any of their respective affiliates nor any of their respective directors, officers, employees, agents, partners or professional advisers has or shall have any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any statement contained in the Exchange Information, any other information made available by or on behalf of the Company or made publicly available by the Company on its website, by press release, by public filing or otherwise or any other information, provided that nothing in this paragraph excludes the liability of any person for fraud made by that person; and
- (xiii) warrant and represent to the Company and N+1 Singer that the purchase by you of Open Offer Shares does not trigger in the jurisdiction in which you are resident: (a) any obligation to prepare or file a prospectus or similar document or any other report with respect to such purchase; or (b) any disclosure reporting obligation of the Company; or (c) any registration or other obligation on the part of the Company; or (d) the requirement for the Company to take any other action.

(m) *Company’s discretion as to rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part III;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST Sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “**first instruction**”) as not constituting a valid application if, at the time at which Link Market Services receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Link Market Services have received actual notice from CRESTCo of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST Sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST Sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption,

failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

(n) *Issue of Open Offer Shares in CREST*

Basic Entitlements and Excess Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 31 July 2018. If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied. On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' Basic Entitlements with effect from the next Business Day. The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

## 5. Money Laundering Regulations

### (i) *Holders of Application Forms*

It is a term of the Open Offer that, in order to ensure compliance with the Money Laundering Regulations 2007 (as amended) (the "**Regulations**"), the Receiving Agent may require verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "**verification of identity**").

The verification of identity requirements pursuant to the Regulations will apply to applications with a value of EUR 15,000 (or its pound sterling equivalent) or greater, or to one of a series of linked applications whose aggregate value exceeds that amount, and in the case of such applications verification of the identity of Applicant(s) for Open Offer Shares may be required.

If within a reasonable period of time following a request for verification of identity, but in any event by 11.00 a.m. on 31 July 2018, the Receiving Agent has not received evidence satisfactory to it, the Company may, in its absolute discretion, elect not to treat as valid the relevant application, in which event the money payable or paid in respect of the application will be returned (without interest and at the Applicant's risk) to the account of the drawee bank or building society from which sums were originally debited (but in each case without prejudice to any rights the Company may have to take proceedings in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid).

In order to avoid this, payment should be made by means of a cheque drawn by and in the name of the Applicant named on the accompanying Application Form or (where an Application Form has been transferred and/or split to satisfy *bona fide* market claims in relation to transfers of Existing Ordinary Shares through the market prior to 3.00 p.m. on 27 July 2018), by the person(s) named in Box 11 on the Application Form. If this is not practicable and the Applicant uses a cheque drawn on a building society or a banker's draft, the Applicant should:

- (i) ask the building society or bank to endorse on the back of the cheque or draft the name and account number of the person whose building society or bank account is being debited which must be the same name as that printed on the Application Form, such endorsement being validated by a stamp and authorised signature by the building society or bank on the reverse of the cheque or banker's draft;
- (ii) if the Applicant is making the application as agent for one or more persons, indicate on the Application Form whether it is a United Kingdom or European Union regulated person or institution (e.g. a bank or broker), and specify its status. If you are in doubt whether or not you should apply for any of the Open Offer Shares under the Open Offer, you should consult your independent financial adviser immediately. For all enquiries in relation to the procedure for application for Eligible Non-CREST Shareholders under the Open Offer please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

- (iii) if the Applicant delivers the Application Form by hand, bring with them the appropriate photographic evidence of identity, such as a passport or driving licence; and
- (iv) third party cheques will not be accepted unless covered by (i) above.

In any event, if it appears to the Receiving Agent that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting will be required.

Neither the Receiving Agent nor the Company will be liable to any person for any loss suffered or incurred as a result of the exercise of any discretion to require verification. By lodging an Application Form, each Eligible Shareholder undertakes to provide evidence of his identity at the time of lodging the Application Form, or, at the absolute discretion of the Company, at such specified time thereafter as may be required to ensure compliance with the Regulations.

## (ii) ***Basic Entitlements and Excess Entitlements in CREST***

If you hold your Basic Entitlements or Excess Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Basic Entitlements (and Excess Entitlements) as agent for one or more persons and you are not a United Kingdom or European Union regulated person or institution (e.g. a United Kingdom financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of any failure to provide satisfactory evidence.

## **6. Taxation**

The following paragraphs are intended as a general guide only and are based on current UK legislation and HM Revenue and Customs practice (which is subject to change and possibly with retrospective effect) and are not exhaustive. They summarise advice received by the Directors as to the position of Shareholders who (unless the position of non-resident Shareholders is expressly referred to) are resident (and domiciled) in the United Kingdom for tax purposes, who are the absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. The discussion does not address all possible tax consequences relating to an investment in shares. Certain Shareholders, such as dealers in securities, employees and officers, Shareholders that are exempt from taxation, insurance companies and collective investment vehicles, may be taxed differently and are not considered.

Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their independent professional adviser immediately.

### (i) ***Taxation of chargeable gains***

For the purposes of UK taxation of chargeable gains, Open Offer Shares allotted to Eligible Shareholders in respect of their Basic Entitlements under the Open Offer should be added to the Eligible Shareholder's existing holding of Ordinary Shares and treated as acquired at the time the existing holding was acquired. The subscription monies for the Open Offer Shares should be added to the base cost of the existing holding. A subsequent disposal of Open Offer Shares by an Eligible Shareholder may, subject to the Eligible Shareholder's circumstances and any available exemption or relief, give rise to a taxable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.



In the case of individual Shareholders, there are two main rates of UK capital gains tax; the applicable rate will be dictated by the individual Shareholders' amount of taxable income. Those individual Shareholders who are higher rate taxpayers or additional rate taxpayers will pay capital gains tax at 20 per cent. and those individuals who are basic rate taxpayers will pay capital gains tax at 10 per cent.

For Shareholders within the charge to UK corporation tax on chargeable gains, the subscription price of the Open Offer Shares will be increased by indexation allowance from the time at which the Shareholder paid for or became liable to pay for the Open Offer Shares until the Open Offer Shares are disposed of. Indexation allowance is not available to create or increase any loss.

Open Offer Shares subscribed for under the Open Offer in excess of a Shareholder's pro rata entitlement will be treated as a separate acquisition from his existing holding of Ordinary Shares for the purposes of UK taxation of chargeable gains.

A Shareholder who is not UK resident will not be subject to UK tax on a gain arising on a subsequent disposal of Open Offer Shares unless either (i) the Shareholder carries on a trade, profession or vocation in the UK through a branch, permanent establishment or agency and, broadly, holds the Open Offer Shares for the purposes of the trade, profession, vocation, branch, permanent establishment or agency, or (ii) the Shareholder falls within the anti-avoidance rules applying to temporary non-residents.

(ii) ***Stamp duty and stamp duty reserve tax ("SDRT")***

No UK stamp duty or UK SDRT should be payable on the allotment or issue of Open Offer Shares.

There is no UK stamp duty and/or SDRT on transfers of securities that are admitted to trading on a "recognised growth market", including AIM (and not "listed" on a recognised stock exchange).

## **7. Overseas Shareholders**

(a) ***General***

**The distribution of this document and the Application Form and the making or acceptance of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer. The comments set out in this paragraph 7 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.**

No action has been or will be taken by the Company or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Application Form(s)) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Application Forms will not be sent to and Basic Entitlements and Excess Entitlements will not be credited to a stock account in CREST of Non-Eligible Shareholders or persons with registered addresses or located in a Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements and/or a credit of Excess Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her nor should he or she in any event use any such Application Form and/or credit of Basic Entitlements and/or credit of Excess Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Basic Entitlements and/or credit of Excess Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or



regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory. Neither the Company nor any of its respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements and/or a credit of Excess Entitlements to a stock account in CREST in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Basic Entitlements or Excess Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Basic Entitlements and/or a credit of Excess Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company determines that such action would not violate applicable legal or regulatory requirements.

Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Basic Entitlements and/or Excess Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part III and specifically the contents of this paragraph 7.

The Company reserves the right, but shall not be obliged, to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of a Basic Entitlement and/or an Excess Entitlement to a stock account in CREST, to a member whose registered address would be in a Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 7(b) to 7(e) below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, acting with the prior written consent of N+1 Singer, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or banker's drafts. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdiction or to any Non-Eligible Shareholders. Receipt of this document and/or an Application Form and/or a credit of an Basic Entitlement and/or a credit of Excess Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in

those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

**(b) *United States***

Neither the Placing Shares nor the Open Offer Shares have been, nor will be, registered under the US Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States to, or for the account or benefit of, a US Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and such other applicable state securities laws.

Accordingly, the Placing Shares and the Open Offer Shares are being offered hereby only outside the United States in reliance upon Regulation S under the US Securities Act in offshore transactions to investors who will be required to make certain representations to the Company and others prior to the investment in the Placing Shares and Open Offer Shares.

Neither the Placing Shares nor the Open Offer Shares have been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of the Fundraising or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. In no way is the Company offering the Subscription Shares or Additional Subscription Shares by means of this document.

Until 40 days after Admission, an offer or sale of the Placing Shares, the Subscription Shares or Open Offer Shares within the United States by any dealer (whether or not participating in the Open Offer) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than pursuant to an available exemption from registration under the US Securities Act.

Because of these restrictions and those described herein, potential investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of Placing Shares or Open Offer Shares.

Neither this document nor an Application Form will (unless an address within the United Kingdom for services of notices has been notified to the Company) be sent to, and no Basic Entitlements or Excess Entitlements will be credited to, a stock account in CREST of any Eligible Shareholder with a registered address in the United States. Application Forms sent from, or post-marked in, the United States will be deemed to be invalid and all persons subscribing for Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address for registration of the Open Offer Shares outside the United States.

**(c) *Other Restricted Jurisdictions***

Due to restrictions under the securities laws of the other Restricted Jurisdictions and subject to certain exemptions, Eligible Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, a Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form, nor will their stock accounts in CREST be credited with Basic Entitlements or Excess Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

**(d) *Other overseas jurisdictions***

Application Forms will be sent to Eligible Non-CREST Shareholders and a Basic Entitlement will be credited to the stock account in CREST of Eligible CREST Shareholders in other overseas jurisdictions. Eligible Shareholders in jurisdictions other than any Restricted Jurisdiction may, subject to the laws of their relevant

jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, if relevant, the Application Form.

Eligible Shareholders who have registered addresses in or who are located or resident in, or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares in respect of the Open Offer.

**(e) *Representations and warranties relating to Overseas Shareholders***

**(i) *Eligible Non-CREST Shareholders***

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, N+1 Singer and/or the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction:

- (i) such person is not requesting registration of the relevant Open Offer Shares from within a Restricted Jurisdiction;
- (ii) such person is not a US Person or a resident of, or located in, any Restricted Jurisdiction or in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it;
- (iii) such person is not acting on a non-discretionary basis on behalf of, a person located within a Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and
- (iv) such person is not subscribing for Open Offer Shares with a view to the offer, sale, re-sale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction or any territory referred to in (ii) above.

The Company and/or the Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it:

- (ii) appears to the Company or its agents to have been executed, effected or despatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements;
- (iii) provides an address in any Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or
- (iv) purports to exclude the warranty required by this paragraph 7(e)(i).

**(i) *Eligible CREST Shareholders***

A CREST member who makes a valid application either on its own behalf or on behalf of one of its clients in accordance with the procedures set out in this Part III represents and warrants to the Company and N+1 Singer that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction:

- (v) neither it nor its client is within a Restricted Jurisdiction;
- (vi) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares;

- (vii) it is not accepting on a non-discretionary basis on behalf of, or for the account or benefit of, a person located within a Restricted Jurisdiction or any territory referred to in (iii) above at the time the instruction to accept was given; and
- (viii) neither it nor its client is subscribing for any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into a Restricted Jurisdiction, or any territory referred to in (iii) above.

The Company reserves the right to reject any USE instruction from a Restricted Jurisdiction or any territory referred to in (ii) above or by a CREST participant who is acting on a non-discretionary basis on behalf of a person located within a Restricted Jurisdiction or any territory referred to in (iii) above.

## **8. Admission, settlement and dealings**

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects, it is expected that Admission of the Open Offer Shares will become effective and that dealings in the Open Offer Shares will commence at 8.00 a.m. on 3 August 2018.

Basic Entitlements and Excess Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 31 July 2018 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 3 August 2018). On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with their entitlements to Open Offer Shares with effect from Admission (expected to be 3 August 2018). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Basic Entitlements and Excess Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

For Eligible Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be dispatched by post on 10 August 2018. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the register of members of the Company. All documents or remittances sent by or to Applicants or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Eligible Non-CREST Shareholders are referred to the Application Form.

## **9. Governing law and jurisdiction**

The terms and conditions of the Open Offer as set out in this document shall be governed by, and construed in accordance with, the laws of England and Wales. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document, Eligible Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **10. Further information**

The attention of Eligible Non-CREST Shareholders is drawn to the terms and conditions set out in the enclosed Application Form.

## PART IV

### Itaconix plc

*(Registered in England and Wales with company number 08024489)*

#### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a General Meeting of Itaconix plc (the “Company”) will be held on 2 August 2018 at 11.00 a.m. at Fieldfisher LLP’s offices, 9th Floor, Riverbank House, 2 Swan Lane, London EC4R 3TT. The business of the meeting will be to consider and, if thought appropriate, to pass the following ordinary and special resolutions:

#### ORDINARY RESOLUTION

1. THAT in substitution for all existing authorities for the allotment of shares by the Directors, which are hereby revoked but without prejudice to any allotment, offer or agreement already made pursuant thereto, the Directors of the Company be and they are hereby authorised, pursuant to section 551 of the Companies Act 2006 (the “**2006 Act**”) to exercise all the powers of the Company to:
  - (a) allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred as an allotment of “**Relevant Securities**”) up to an aggregate nominal amount of £1,073,000 pursuant to the placing of the Company’s ordinary shares of one pence each (“**Ordinary Shares**”), to certain institutional and other investors at a price of 2 pence per share (the “**Placing**”);
  - (b) allot Relevant Securities up to an aggregate amount of £612,600 pursuant to the subscription for Ordinary Shares by certain investors in the United States of America at a price of 2 pence per share (the “**Subscription**”);
  - (c) allot Relevant Securities up to an aggregate amount of £500,000 pursuant to an open offer to all eligible shareholders of the Company as at 11 July 2018 (the “**Open Offer**”) on the terms and conditions set out in the circular of the Company dated 13 July 2018 (the “**Circular**”), and pursuant to an offer to certain persons located in the United States, all at a price of 2 pence per share (“the **US Additional Subscription**”);
  - (d) allot Relevant Securities up to an aggregate nominal amount of £150,000 together with a further aggregate nominal amount up to £6,000,000 pursuant to the Contingent Consideration and Merger Settlement Agreement as set out in the Circular;
  - (e) allot Relevant Securities up to an aggregate nominal amount of £1,040,926 in connection with a rights issue, open offer, scrip dividend scheme or other pre-emptive offer which satisfies the conditions and may be subject to all or any of the exclusions specified in paragraph 2(b)(iv) of resolution 2 below;
  - (f) allot Relevant Securities otherwise than pursuant to sub-paragraphs 1(a), 1(b), 1(c), 1(d) or 1(e) above, up to an aggregate nominal amount of £1,040,926,

in each case for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at midnight on the date falling 15 months after the date of the passing of this resolution or at the conclusion of the 2019 annual general meeting (the “**2019 AGM**”) of the Company following the passing of this resolution, whichever occurs sooner, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such Relevant Securities to be allotted after such expiry, variation or revocation and the Directors may allot Relevant Securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

## SPECIAL RESOLUTION

2. THAT, subject to and conditional upon the passing of resolution 1, the Directors be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (within the meaning of section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution 1 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that such power:
- (a) shall, subject to the continuance of the authority conferred by resolution 1 above, expire at midnight on the date falling 15 months after the date of the passing of this resolution or at the conclusion of the 2019 AGM of the Company following the passing of this resolution, whichever occurs sooner, but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied; and
  - (b) shall be limited to:
    - (i) the allotment of equity securities up to an aggregate nominal amount of £1,073,000 pursuant to the Placing;
    - (ii) the allotment of equity securities up to an aggregate nominal amount of £612,600 pursuant to the Subscription;
    - (iii) the allotment of equity securities up to an aggregate nominal amount of £500,000 pursuant to the Open Offer and the US Additional Subscription;
    - (iv) the allotment of equity securities up to an aggregate nominal amount of £1,040,926 pursuant to a rights issue, open offer, scrip dividend scheme or other pre-emptive offer or scheme which is in each case in favour of holders of ordinary shares and any other persons who are entitled to participate in such issue, offer or scheme where the equity securities offered to each such holder and other person are proportionate (as nearly as may be) to the respective numbers of ordinary shares held or deemed to be held by them for the purposes of their inclusion in such issue, offer or scheme on the record date applicable thereto, but subject to such exclusions or other arrangements as the Directors may deem fit or expedient to deal with fractional entitlements, legal or practical problems under the laws of any overseas territory, the requirements of any regulatory body or stock exchange in any territory, shares being represented by depositary receipts, directions from any holders of shares or other persons to deal in some other manner with their respective entitlements or any other matter whatever which the Directors consider to require such exclusions or other arrangements with the ability for the Directors to allot equity securities not taken up to any person as they may think fit; and
    - (v) the allotment of equity securities for cash otherwise than pursuant to sub-paragraphs 2(b)(i), 2(b)(ii), 2(b)(iii) or 2(b)(iv) above up to an aggregate maximum nominal amount of £312,277.

*BY ORDER OF THE BOARD*

**Robin Cridland**  
*Chief Financial Officer and Company Secretary*

1-2 Newtech Square  
Deeside Industrial Park  
Deeside  
Clwyd, CH5 2NT



## **Notes to the Notice of General Meeting:**

### ***Entitlement to attend and vote***

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only shareholders entered on the register of members of the Company at close of business on 31 July 2018 (or in the event that this meeting is adjourned, on the register of members not later than 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

### ***Appointment of proxies***

2. A Shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a Shareholder of the Company. A Shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder.
3. The appointment of a proxy will not preclude a Shareholder from attending in person at the meeting and voting if he or she wishes to do so.

### ***Appointment of proxy using the accompanying form of proxy***

4. A proxy form is enclosed. To appoint more than one proxy, please photocopy the form. Please state each proxy's name and the number of shares in relation to which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy form is one of multiple forms being returned. All proxy forms must be signed and should be returned together in the same envelope. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
5. To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the offices of the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).

### ***Appointment of proxy through CREST***

6. CREST members who wish to appoint a proxy or proxies for the meeting, including any adjournments of the meeting, through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 48 hours before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.



***Changing proxy instructions***

10. To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

***Termination of proxy appointments***

11. In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

***Joint shareholders***

12. In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

***Corporate representatives***

13. A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should bring with them to the meeting: (i) an original or certified copy of the resolution authorising them; or (ii) an original letter on the shareholder's letterhead, signed by an authorised signatory, confirming that they are so authorised.

***Issued shares and total voting rights***

14. As at the date of this Notice of General Meeting, the Company's issued share capital comprised 78,717,948 ordinary shares of 1 pence each fully paid. The Company does not hold any shares in treasury. Each Ordinary Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this Notice of General Meeting is 78,717,948.



