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UNLESS OTHERWISE INDICATED, CAPITALISED TERMS IN THIS ANNOUNCEMENT HAVE THE MEANING GIVEN TO THEM IN THE DEFINITIONS SECTION INCLUDED IN THE APPENDIX.

#### **Itaconix plc**

(“Itaconix” or “the Company” or the “Group”)

### **Proposed Fundraising of up to approximately £4.3 million<sup>(1)</sup> by way of the Placing, Subscription, Open Offer & US Additional Subscription and Proposed Board Changes**

Itaconix, a leading designer and manufacturer of specialty polymers, announces a proposed fundraising to raise proceeds of up to approximately £4.3 million<sup>(1)</sup> (before expenses) by way of a placing via an accelerated bookbuild, a subscription, and an open offer and US additional subscription (together the “Fundraising”) to fund the commercial development of the Company’s portfolio of core products and for general working capital purposes as further outlined below.

*Note( 1) The Board reserves the right to increase the size of the Placing at its discretion.*

#### **Highlights**

- Proposed Placing of a minimum of 104,875,000 new ordinary shares (“Placing Shares”) at a price of 2 pence per share (the “Placing Price”) with new and existing shareholders to raise gross proceeds of a minimum of £2.1 million
- Placing to be conducted by way of an accelerated bookbuild process by Nplus1 Singer Advisory LLP (“N+1 Singer”) which will be launched in accordance with the Terms and Conditions set out in this announcement, immediately following this announcement
- Books are open with immediate effect
- Proposed Subscription to raise approximately £1.2 million
- In addition to the Placing, Eligible Shareholders will be given the opportunity to subscribe for new Ordinary Shares through an open offer, and there will be an offer to certain US Eligible Participants in the United States, to raise in aggregate up to £1.0 million before expenses
- The Fundraising is conditional on Shareholder approval at a general meeting

- A circular, which will provide further details of the Fundraising and include a notice convening the General Meeting (the "Circular") will be sent to Shareholders shortly and a further announcement will be made
- The Placing Price represents a discount of 70.4 per cent. 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
- The net proceeds of the Fundraising will 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 of its core products
  - Three products for major unmet needs, with proven performance and established customer use
  - Strong pipeline of active customer projects in Europe and North America
  - Commercial project pipeline potential estimated by management at approximately \$30 million
  - Collaborations with Croda and AkzoNobel
- Conditional on Admission, there will be certain board changes including John Shaw to be appointed Chief Executive Officer, Kevin Matthews to become Executive Chairman until the end of 2018, Bryan Dobson to become independent non-executive Director and Robin Cridland to step down as Chief Financial Officer
- Final results for the year ended 31 December 2017 announced earlier today
- Alignment of incentives – including 15 million new shares to be issued to management and former Itaconix Corporation shareholder – further detail is set out in this announcement
- The Company's shares remain suspended from trading. A further announcement will be made in due course as appropriate

A further announcement will be made on the closing of the Placing, which is expected to occur later today.

Certain of the Directors of the Company have indicated their intention to subscribe for Placing Shares. John Shaw, proposed Chief Executive Officer has also indicated his intention to subscribe via the Subscription. Further details of the Fundraising and any participation by such Directors and John Shaw, will be set out in the announcement to be made on the closing of the Placing which is expected to be made later today.

**This announcement should be read in its entirety. In particular, your attention is drawn to (i) the section headed 'Risk Factors' below and (ii) the detailed terms and conditions of the Placing and further information relating to the Placing and any participation in the Placing that is described in the Appendix to this announcement (which forms part of this announcement).**

By choosing to participate in the Placing and by making an oral and legally binding offer to acquire Placing Shares, investors will be deemed to have read and understood this announcement in its entirety (including the Appendix), and to be making such offer on the terms and subject to the conditions of the Placing contained herein, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

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### **Important Notice**

N+1 Singer is acting as nominated adviser and broker and as agent for and on behalf of the Company for the Placing. N+1 Singer is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom. N+1 Singer is acting exclusively for the Company and no one else in connection with the Placing and N+1 Singer will not be responsible to anyone (including any Placees) other than the Company for providing the

protections afforded to its clients or for providing advice in relation to the Placing or any other matters referred to in this announcement.

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

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

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

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

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

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

## **FURTHER INFORMATION**

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

#### **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.

### **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.

### 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 (the active product in Febreze) and surfactants (e.g. Croda's Forestall). 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.

### 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.

#### 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 scale inhibitors. A breakthrough in performance was achieved when BASF introduced MGDA to the market. Today the ADW tablet market is essentially split between citrate and/or MGDA in combination with scale inhibitor. Formulation costs have increased in the move from phosphates to current formulations.

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, suppliers in the market 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.

### **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.

### **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.

### **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 further cost savings with additional 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.

### **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 breakthrough 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.

### **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.

### **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.

### **Use of proceeds**

The Company is proposing to raise gross proceeds of a minimum of £3.3 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.

### **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.

### **RISK FACTORS**

The Directors believe that an investment in the Placing may be subject to a number of risks. Prospective investors should consider carefully all of the information set out in this announcement 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 announcement an offer of, or solicitation to offer, Ordinary Shares to any US Person 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. Prospective investors should consider carefully whether an investment in the Placing is suitable for them in the light of information in this announcement and their personal circumstances.

The Placing should be regarded as a highly speculative investment and an investment in Placing Shares should only be made by those with the necessary expertise to fully evaluate the investment. 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 Placing 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%.

#### ***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 announcement. 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 announcement.

***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 Placing Shares.**

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

**APPENDIX – TERMS AND CONDITIONS OF THE PLACING**

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

**THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX AND THE INFORMATION CONTAINED HEREIN (TOGETHER THIS "ANNOUNCEMENT") IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, THE REPUBLIC OF IRELAND, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.**

**MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA ("EEA") WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED ("QUALIFIED INVESTORS"), BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "PROSPECTUS DIRECTIVE"); AND (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS").**

**THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN ITACONIX.**

**THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE INTO THE UNITED STATES. THE PLACING SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS AND AT THE SOLE DISCRETION OF THE COMPANY, THE PLACING SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE PLACING SHARES IS BEING MADE IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE. NO MONEY, SECURITIES OR OTHER CONSIDERATION FROM ANY PERSON INSIDE THE UNITED STATES IS BEING SOLICITED AND, IF SENT IN RESPONSE TO THE INFORMATION CONTAINED IN THIS ANNOUNCEMENT, WILL NOT BE ACCEPTED.**

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

No action has been taken by the Company, Nplus1 Singer Advisory LLP ("**N+1 Singer**") or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the Placing Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada, the Republic of Ireland, Australia, the Republic of South Africa, Japan or any other jurisdiction in which the same would be unlawful. No public offering of the Placing Shares is being made in any such jurisdiction.

All offers of the Placing Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

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

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this announcement should seek appropriate advice before taking any action. This announcement should be read in its entirety. In particular, you should read and understand the information provided in this "Important Information" section of this Announcement.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "Placee") will be deemed to have read and understood this announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1 it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

2 in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:

2.1 it is a Qualified Investor within the meaning of Article 2(1)(e) of the Prospectus Directive;

2.2 in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:

2.2.1 the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of N+1 Singer has been given to the offer or resale; or

2.2.2 where Placing Shares have been acquired by it on behalf of persons in any member state of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;

3 it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this announcement;

4 it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and

5 except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 3 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

#### **No prospectus**

No prospectus or other offering document has been or will be submitted to be approved by the FCA in relation to the Placing or the Placing Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules ) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the form of confirmation to be sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of N+1 Singer, the Company or any other person and none of N+1 Singer, the Company or any other person acting on such person's behalf nor any of their respective affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee

acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

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

N+1 Singer has today entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, N+1 Singer, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares at the Placing Price.

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

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

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM. It is expected that Admission will take place no later than 8.00 a.m. on 3 August 2018 and that dealings in the Placing Shares on AIM will commence at the same time. The Placing is not underwritten.

### **Principal terms of the Placing**

1 N+1 Singer is acting as nominated adviser, financial adviser and broker to the Placing, as agent for and on behalf of the Company. N+1 Singer is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for the Company and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the customers of N+1 Singer or for providing advice in relation to the matters described in this Announcement.

2 Participation in the Placing will only be available to persons who may lawfully be, and are, invited by N+1 Singer to participate. N+1 Singer and any of its respective affiliates are entitled to participate in the Placing as principal.

3 The price per Placing Share is fixed at 2 pence and is payable to N+1 Singer by all Placees (as agent of the Company).

4 Each Placee's allocation is determined by N+1 Singer in its discretion following consultation with the Company and has been or will be confirmed orally by N+1 Singer and a form of confirmation will be dispatched as soon as possible thereafter. That oral confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of N+1 Singer and the Company, under which it agrees to acquire the number of Placing Shares allocated to the Placee at the Placing Price and otherwise on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with N+1 Singer's written consent, such commitment will not be capable of variation or revocation at the time at which it is submitted.

5 Each Placee's allocation and commitment will be evidenced by a form of confirmation issued to such Placee by N+1 Singer. The terms of this Appendix will be deemed incorporated in that form of confirmation.

6 Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to N+1 Singer (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.

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

8 All obligations of N+1 Singer under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Termination of the Placing".

9 By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

10 To the fullest extent permissible by law and applicable FCA rules, none of (a) N+1 Singer, (b) any of N+1 Singer's affiliates, agents, directors, officers, consultants, (c) to the extent not contained within (a) or (b), any person connected with N+1 Singer as defined in FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of N+1 Singer), (d) any person acting on N+1 Singer's behalf, shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither N+1 Singer nor any of its respective affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of their conduct of the Placing or of such alternative method of effecting the Placing as N+1 Singer and the Company may agree.

#### **Registration and Settlement**

If Placees are allocated any Placing Shares in the Placing they will be sent a form of confirmation or electronic confirmation by N+1 Singer, as soon as it is able which will confirm the number of Placing Shares allocated to them, the Placing Price and the aggregate amount owed by them to N+1 Singer.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by N+1 Singer in accordance with either the standing CREST or certificated settlement instructions which they have in place with N+1 Singer.

Settlement of transactions in the Placing Shares (ISIN: GB00B84LVH87) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST is expected to take place on 1 August 2018 unless otherwise notified by N+1 Singer and Admission is expected to occur no later than 8.00 a.m. on 3 August 2018 unless otherwise notified by N+1 Singer. Admission and Settlement may occur at an earlier date, which if achievable, will be set out in the Circular. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and N+1 Singer may agree that the Placing Shares should be issued in certificated form. N+1 Singer reserves the right to require settlement for the Placing Shares, and to deliver the Placing Shares to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by N+1 Singer.

Each Placee agrees that, if it does not comply with these obligations, N+1 Singer may sell, charge by way of security (to any funder of N+1 Singer) or otherwise deal with any or all of their Placing Shares on their behalf and retain from the proceeds, for N+1 Singer's own account and benefit, an amount equal to the aggregate amount owed by the Placee plus any interest due and any costs and expenses properly incurred by N+1 Singer as a result of the Placee's failure to comply with its obligations. The relevant Placee will, however, remain liable for any shortfall below the amount owed by it and for any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of their Placing Shares on their behalf. Legal and/or

beneficial title in and to any Placing Shares shall not pass to the relevant Placee until such time as it has fully complied with its obligations hereunder.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional form of confirmation is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Conditions of the Placing**

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

The obligations of N+1 Singer under the Placing Agreement are, and the Placing is, conditional upon, inter alia:

- (a) the passing of the Resolutions (without any amendment which has not been previously approved by N+1 Singer) at the General Meeting (or any adjournment thereof);
- (b) each of the warranties contained in the Placing Agreement being and remaining true, accurate and not misleading until Admission;
- (c) the Company having complied in all material respects with its obligations and having satisfied the conditions under the Placing Agreement which fall to be performed or satisfied prior to Admission;
- (d) the Placing Agreement not having been terminated by N+1 Singer in accordance with its terms;
- (e) Admission occurring by not later than 8.00 a.m. on 3 August 2018 (or such later date as the Company and N1 Singer may agree in writing, in any event being not later than the Long Stop Date),

(all conditions to the obligations of N+1 Singer included in the Placing Agreement being together, the "**conditions**").

If any of the conditions set out in the Placing Agreement are not fulfilled or, where permitted, waived in accordance with the Placing Agreement within the stated time periods (or such later time and/or date as the Company and N+1 Singer may agree, provided that the time for satisfaction of the condition set out in (e) above shall not be extended beyond 8.00 a.m. on 31 August 2018), or the Placing Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

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

Certain conditions may be waived in whole or in part by N+1 Singer, in its absolute discretion by notice in writing to the Company and N+1 Singer may also agree in writing with the Company to extend the time for satisfaction of any condition. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

N+1 Singer may terminate the Placing Agreement in certain circumstances, details of which are set out below. Neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers, employees shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or

date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of N+1 Singer.

On the assumption that the conditions set out in the Placing Agreement are satisfied (or waived) and that the Placing Agreement does not lapse and is not terminated in accordance with its terms, each Placee will be required to pay to N+1 Singer, on the Company's behalf, the Placing Price for each Placing Share agreed to be acquired by it under the Placing in accordance with the terms set out herein.

Each Placee's obligation to acquire and pay for Placing Shares under the Placing will be owed to N+1 Singer and the Company. Each Placee has an immediate, separate, irrevocable and binding obligation, owed to N+1 Singer, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares that such Placee has agreed to subscribe.

### **Termination of the Placing**

N+1 Singer may terminate the Placing Agreement, in accordance with its terms, at any time prior to Admission if, inter alia:

- 1 any of the warranties and undertakings in the Placing Agreement were untrue or inaccurate in any material respect; or
- 2 the Company fails to comply with its obligations under the Placing Agreement or the terms of the Placing, which N+1 Singer considers (acting reasonably) to be material in the context of the Placing; or
- 3 any statement contained in the Issue Documents is or has become untrue, inaccurate or misleading in any material respect or any matter has arisen which would constitute a material omission from the Issue Document; or
- 4 any material adverse change has occurred in the condition, earnings, business affairs or business prospects of the Company and its subsidiary undertakings (taken as whole).

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

By participating in the Placing, each Placee agrees with the Company and N+1 Singer that the exercise by the Company or N+1 Singer of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of the Company or N+1 Singer and that neither of the Company nor N+1 Singer need make any reference to such Placee and that neither N+1 Singer, the Company, nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "Conditions of the Placing" section above and will not be capable of rescission or termination by it after the issue by N+1 Singer of a form of confirmation confirming each Placee's allocation and commitment in the Placing.

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

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) irrevocably represents, warrants, acknowledges, undertakes and agrees (for itself and for any such prospective Placee) that in each case as a fundamental term of such Placee's application for Placing Shares (save where N+1 Singer expressly agree in writing to the contrary):



1 it has read and understood this Announcement in its entirety (including the Appendix) and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;

2 its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;

3 it has not received a prospectus or other offering document in connection with the Placing and acknowledges that no prospectus or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Placing;

4 the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;

5 it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement, or the Publicly Available Information; nor has it requested neither of N+1 Singer, the Company, any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;

6 neither N+1 Singer, any person acting on behalf of them or any of their respective affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

7 the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information; (b) neither N+1 Singer, the Company nor any of their respective affiliates, agents, directors, officers or employees has made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information; (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and (d) has not relied on any investigation that N+1 Singer or any person acting on their behalf may have conducted with respect to the Company, the Placing or the Placing Shares;

8 the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither N+1 Singer nor any persons acting on behalf of it is responsible for or has or shall have any liability for any information, representation, warranty or statement

relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;

9 the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, the Republic of Ireland, Australia, Canada, Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, the Republic of Ireland, Australia, Canada, South Africa or Japan or in any country or jurisdiction where any such action for that purpose is required;

10 it and/or each person on whose behalf it is participating:

10.1 is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;

10.2 has fully observed such laws and regulations;

10.3 has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations;

10.4 has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares; and

10.5 has not taken any action which will or may result in the Company or N+1 Singer or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance of Placing Shares;

11 it was not located in the United States at the time the buy order was originated and it represents that no directed selling efforts (as defined in Regulation S under the Securities Act) were made in connection with the Placing;

12 it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in, or subject to the laws of, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any state or other jurisdiction of the United States, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any state or other jurisdiction of the United States and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;

13 the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;

14 it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;

15 it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;

16 it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;

17 if required by applicable securities laws or as otherwise reasonably requested by the Company, the Placee will execute, deliver and file and otherwise assist the Company in filing reports, questionnaires, undertakings and other documents with respect to the issue of the Placing Shares;

18 neither N+1 Singer, its respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of N+1 Singer and N+1 Singer has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

19 it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will make payment to N+1 Singer for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as N+1 Singer may, in its absolute discretion determine without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;

20 no action has been or will be taken by any of the Company, N+1 Singer or any person acting on their behalf that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;

21 the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. Neither N+1 Singer nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to pay the Company and N+1 Singer in respect of the same (including any interest or penalties) on the basis that the Placing Shares will be allotted to a CREST stock account of N+1 Singer or transferred to a CREST stock account of N+1 Singer who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;

22 it is acting as principal only in respect of the Placing or, if it is acting for any other person, (a) it is duly authorised to do so and has full power to make the acknowledgments, representations and agreements herein on behalf of each such person and (b) it is and will remain liable to the Company and N+1 Singer for the

performance of all its obligations as a Placée in respect of the Placing (regardless of the fact that it is acting for another person);

23 the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;

24 it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

25 it will not make an offer to the public of the Placing Shares and it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise than in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;

26 it is a person of a kind described in: (a) Article 19(5) (Investment Professionals) and/or 49(2) (High net worth companies etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, and/or an authorised person as defined in section 31 of FSMA; and (b) section 86(7) of FSMA ("**Qualified Investor**"), being a person falling within Article 2.1(e) the Prospectus Directive. For such purposes, it undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;

27 it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges that this Announcement is not being issued by N+1 Singer as an authorised person under section 21 of FSMA and therefore is not subject to the same controls applicable to a financial promotion made by an authorised person;

28 it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);

29 if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of N+1 Singer has been given to the offer or resale;

30 it has neither received nor relied on any confidential price sensitive information about the Company in accepting this invitation to participate in the Placing;

31 if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not (i) dealt in the securities of the Company, (ii) encouraged or required another person to deal

in the securities of the Company, or (iii) disclosed such information to any person, prior to the information being made publicly available;

32 neither N+1 Singer nor any of its respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them has or shall have any liability for any information, representation or statement contained in this Announcement or for any information previously published by or on behalf of the Company or any other written or oral information made available to or publicly available or filed information or any representation, warranty or undertaking relating to the Company, and will not be liable for its decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement or elsewhere, provided that nothing in this paragraph shall exclude any liability of any person for fraud;

33 neither N+1 Singer, the Company, nor any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of N+1 Singer, the Company or their respective affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing Agreement nor the exercise or performance of N+1 Singer's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

34 acknowledges and accepts that N+1 Singer may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Placing Shares and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise and, except as required by applicable law or regulation, N+1 Singer will not make any public disclosure in relation to such transactions;

35 N+1 Singer and each of its affiliates, each acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by N+1 Singer and/or any of its respective affiliates, acting as an investor for its or their own account(s). Neither N+1 Singer nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;

36 it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Terrorism Act 2006 and the Money Laundering Regulations 2007 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

37 it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, FSMA, the EU Market Abuse Regulation No. 596 of 2014 and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;

38 in order to ensure compliance with the Money Laundering Regulations 2007, N+1 Singer (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to N+1 Singer's or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at N+1 Singer's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at N+1 Singer's or the Company's registrars', as the case may be, absolute discretion. If within a

reasonable time after a request for verification of identity N+1 Singer's (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, N+1 Singer and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;

39 acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement and in the form of confirmation will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or N+1 Singer's conduct of the Placing;

40 it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;

41 it irrevocably appoints any duly authorised officer of N+1 Singer as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement;

42 the Company, N+1 Singer and others (including each of their respective affiliates, agents, directors, officers or employees) will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements, which are given to N+1 Singer, on their own behalf and on behalf of the Company and are irrevocable;

43 if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;

44 time is of the essence as regards its obligations under this Appendix;

45 any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to N+1 Singer;

46 the Placing Shares will be issued subject to the terms and conditions of this Appendix; and

47 these terms and conditions in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or N+1 Singer in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, N+1 Singer and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this

Appendix or incurred by N+1 Singer, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor N+1 Singer shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify N+1 Singer accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and N+1 Singer in the event that either the Company and/or N+1 Singer has incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to N+1 Singer for itself and on behalf of the Company and are irrevocable.

Each Placee and any person acting on behalf of the Placee acknowledges that N+1 Singer does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that N+1 Singer may (at its absolute discretion) satisfy their obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with N+1 Singer, any money held in an account with N+1 Singer on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from N+1 Singer's money (as applicable) in accordance with the client money rules and will be held by it under a banking relationship and not as trustee. References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment.

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

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

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

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

## DEFINITIONS USED IN THIS ANNOUNCEMENT

<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 and the Additional Subscription 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
<b>"Alkalon"</b>	Alkalon A/S
<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"certificated" or "in certificated form"</b>	an Ordinary Share which is not in uncertificated form (that is, not in CREST)
<b>"CHT"</b>	Itaconix® CHT™, a chelant product produced by the Company for use in the laundry and ADW markets
<b>"Circular"</b>	the circular to be sent to Shareholders enclosing the notice of the General Meeting
<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 Durrant and David Shaw
<b>"Contingent Consideration Shares"</b>	the new Ordinary Shares to be issued to the Contingent Consideration Payees
<b>"CREST"</b>	the computerised settlement system operated by Euroclear which facilitates the transferring of title to shares in uncertificated form
<b>"Directors"</b>	the directors of the Company
<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 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 Shareholders"</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>"Existing Ordinary Shares"</b>	the 78,717,948 Ordinary Shares in issue as at the date of this announcement
<b>"FCA"</b>	the Financial Conduct Authority
<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 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 announcement
<b>"Group"</b>	the Company and its subsidiary undertakings (as defined in the Companies Act)
<b>"Issue Documents"</b>	the documents to be issued in connection with the Fundraising
<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>"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 Revolmer (U.S.) Inc.
<b>"MGDA"</b>	methylglycindiactic acid
<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>"Open Offer"</b>	the invitation to Eligible Shareholders to apply to subscribe for Open Offer Shares at the Placing Price
<b>"Open Offer Shares"</b>	the new Ordinary Shares to be issued pursuant to the Open Offer
<b>"Ordinary Shares"</b>	the ordinary shares of 1 pence each in the capital of the Company
<b>"Placing"</b>	the conditional placing of the Placing Shares at the Placing 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 Price"</b>	2 pence per Placing Share, Subscription Share, Open Offer Share or US Additional Subscription Share (as the case may be)
<b>"Placing Shares"</b>	a minimum of 104,875,000 new Ordinary Shares to be issued in connection with the Placing
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting as set out in the Notice
<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 Placing Price by certain US Shareholders
<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>"US Eligible Participant"</b>	a US Shareholder 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 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 Securities Act"</b>	the US Securities Act of 1933, as amended
<b>"ZINADOR"</b>	Itaconix® ZINADOR™, an odour neutraliser produced by the Company