

18 February 2019

Michelmersh Brick Holdings Plc
(the “Company” or “Michelmersh” or the “Group”)

Acquisition of Floren & Cie

Proposed Placing of new Ordinary Shares to raise £5.0 million

Michelmersh, the specialist brick manufacturer, is pleased to announce that it has acquired the entire issued share capital of Floren & Cie (“**Floren**”), an established, profitable clay brick manufacturing business, for a maximum consideration of EUR 9.9 million (the “**Acquisition**”). The Acquisition is expected to be immediately earnings enhancing for the Group.

Floren has been operating out of Sint Lenaarts (Brecht) nr. Antwerp, Belgium, since 1896. In 2018, Floren manufactured 19.5 million premium wirecut bricks, which were predominantly sold within the Belgian and UK markets, generating unaudited revenues of EUR 5.7 million and EBITDA of EUR 1.75 million. The strategic acquisition will enhance Michelmersh’s product portfolio, significantly increase the Group’s overall output and provide a foothold in new European markets.

The Company also today announces that it is seeking to raise up to £5.0 million through a placing (the “**Placing**”) of new ordinary shares in the capital of the Company (the “**Placing Shares**”), pursuant to the terms and conditions set out in the Appendix below. Completion of the Acquisition is not conditional on the Placing.

Acquisition Highlights:

- Floren is being acquired for a maximum total consideration of EUR 9.9 million (£8.7 million), with EUR 9.4 million paid on completion and a deferred consideration of 400,000 Michelmersh ordinary shares (with a value no greater than EUR 500,000) in 24 months if certain EBITDA targets are met.
- The Acquisition price is sub 6 times EBITDA.
- The Acquisition is to be funded from the existing debt facilities available to the Group and the Placing.
- Floren generated unaudited revenues of EUR 5.7 million and EBITDA of EUR 1.75 million for the financial year ended 31 December 2018. Floren had unaudited net assets as at 31 December 2018 of EUR 4.17 million.
- Michelmersh believes there is potential to increase the current Floren output of 19.5 million bricks per annum with future capital investment.
- As part of the Acquisition, Michelmersh is acquiring 120 acres of land, of which 60 acres is utilised by plant operations.
- Michelmersh has undertaken a valuation exercise on the land owned by Floren, which indicated a potential value of up to EUR 9 million. The Directors believe Floren has clay reserves that will support production on site for up to 25 years.
- The Acquisition will enhance Michelmersh’s UK product portfolio and increase the Group’s scale while also providing access to new European markets.
- The vendors of Floren will remain within the business for 24 months to oversee operations and support the integration into the Group.

The Board considers Floren to be an excellent strategic asset which gives Michelmersh access to the wider Benelux and German markets and adds significant value to the Group. The Acquisition is also in line with the Company’s premium centric market strategy, given Floren’s high quality product range and desirable aesthetics it is able to help building designers and architects create.

The Group welcomes the Floren team to the business and looks forward to building on the significant success already achieved by its dedicated team in Antwerp.

The Placing

Michelmersh is proposing to raise £5.0 million (before expenses) through a placing of 5,555,556 Placing Shares to institutional investors at a price of 90 pence per Ordinary Share (the “**Placing Price**”). The Directors believe it is appropriate to part fund the Acquisition via the Placing in order to maintain a sensible leverage level for the enlarged Group. The Placing also enables the Group to expand its shareholder base, helping to increase liquidity and meet investor demand. The Placing has been undertaken within the Company's existing share authorities granted at the 2018 Annual General Meeting.

The Placing will be conducted by way of an accelerated bookbuilding process (the “**Bookbuild**”) which will be launched immediately following this Announcement in accordance with the terms and conditions set out in the Appendix. The Placing Shares are not being made available to the public.

The Placing Shares will represent approximately 6.4 per cent. of the existing issued share capital of the Company and the Placing Price represents a discount of approximately 0.6 per cent. to the closing mid-market price of 90.5 pence per Ordinary Share on 15 February 2019, being the latest practicable date prior to the publication of this Announcement.

It is envisaged that the Bookbuild will be closed no later than 4.30 p.m. GMT, 18 February 2019. The Placing is not being underwritten.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing ordinary shares. Application will be made for the Placing Shares to be admitted to trading on AIM on 18 February 2019 and admission is expected to take place on or around 22 February 2019. Completion of the Placing is conditional on, *inter alia*, admission of the Placing Shares.

Total Voting Rights

Following the issue of the Placing Shares, the Company's issued share capital consists of 92,041,669 Ordinary Shares, with voting rights. This figure may be used by shareholders of the Company as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this Announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

About Michelmersh Brick Holdings PLC:

Michelmersh Brick Holdings PLC is a business with six market leading brands: Blockleys, Carlton, Charnwood, Freshfield Lane, Michelmersh and Hathern Terra Cotta. These divisions operate within a fully integrated business combining the manufacture of clay bricks, tiles and pavers. The Group also includes a landfill operator, New Acres Limited, and seeks to develop future landfill and development opportunities on ancillary land assets.

Established in 1997 the Company has grown through acquisition and organic growth into a profitable and asset rich business, producing over 100 million clay bricks, tiles and pavers per annum. Michelmersh currently owns most of the UK's premium manufacturing brands and is a leading specification brick and clay paving manufacturer.

Michelmersh strives to be a well invested, long term, sustainable, environmentally responsible business. Opportunity, training and security for all employees, whilst meeting the needs of stakeholders are at the forefront of everything we do. We aim to lead the way in producing some of Britain's premium clay products and enhancing our environment by adding value to the architectural landscape for generations to come.

We are Michelmersh Brick Holdings PLC: we are "Britain's Brick Specialist".

Please visit the Group's websites at: www.mbhplc.co.uk and www.bimbricks.com

Appendix**Terms and Conditions of the Placing****IMPORTANT INFORMATION FOR PLACERS ONLY**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS DOCUMENT AND THE TERMS AND CONDITIONS SET OUT AND REFERRED TO HEREIN ARE DIRECTED ONLY AT PERSONS SELECTED BY CANACCORD GENUITY LIMITED ("CANACCORD GENUITY" AND THE "PLACING AGENT") WHO ARE "INVESTMENT PROFESSIONALS" FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "FPO") OR "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC" FALLING WITHIN ARTICLE 49(2) OF THE FPO OR TO PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

THE ORDINARY SHARES THAT ARE THE SUBJECT OF THE PLACING (THE "PLACING SHARES") ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE EUROPEAN UNION, OTHER THAN TO "QUALIFIED INVESTORS" AS DEFINED IN ARTICLE 2.1(E) OF DIRECTIVE 2003/71/EC (THE "PROSPECTUS DIRECTIVE"), WHICH INCLUDES LEGAL ENTITIES WHICH ARE REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (THE "FCA") OR ENTITIES WHICH ARE NOT SO REGULATED WHOSE CORPORATE PURPOSE IS SOLELY TO INVEST IN SECURITIES.

The Placing Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. No public offering of the Placing Shares is being made in the United States. The Placing (as defined below) is being made outside the United States in offshore transactions (as defined in Regulation S under the Securities Act ("Regulation S")) meeting the requirements of Regulation S under the Securities Act and may be made within the United States to institutional investors who are qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs"), and also QPs (as defined below) in transactions that are exempt from, or not subject to, the registration requirements under the Securities Act. Persons receiving this document

(including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or use the United States mails, directly or indirectly, in connection with the Placing.

This document does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction including, without limitation, the United States, Canada, Australia, Japan or any other jurisdiction in which such offer or solicitation is or may be unlawful (a “**Prohibited Jurisdiction**”). This document and the information contained herein are not for publication or distribution, directly or indirectly, to persons in a Prohibited Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

The distribution of this document, the Placing and/or issue of the Placing Shares in certain jurisdictions may be restricted by law and/or regulation. No action has been taken by the Company, Canaccord Genuity or any of their respective Affiliates (as defined below) that would permit an offer of the Placing Shares or possession or distribution of this document or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this document are required to inform themselves about and to observe any such restrictions.

Canaccord Genuity Limited, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Michelmersh Brick Holdings plc and for no one else in connection with the Placing and will not be responsible to anyone other than Michelmersh Brick Holdings plc for providing the protections afforded to clients of Canaccord Genuity Limited or for affording advice in relation to the Placing, or any other matters referred to herein.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a “**Placee**”) by making an oral offer to take up Placing Shares is deemed to have read and understood this document in its entirety and to be providing the representations, warranties, undertakings, agreements and acknowledgements contained herein.

Details of the Placing Agreement and the Placing Shares

The Company has entered into a placing agreement (the “**Placing Agreement**”) with Canaccord Genuity, under which Canaccord Genuity has, subject to the terms set out therein, agreed to use reasonable endeavours, as agents of the Company, to procure Placees for the Placing Shares (the “**Placing**”).

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with each other.

The Placing Shares will be issued free of any encumbrance, lien or other security interest.

Application for listing and admission to trading

Application will be made to the London Stock Exchange plc (the “**London Stock Exchange**”) for admission to trading of the Placing Shares on the AIM market of the London Stock Exchange (“**Admission**”). It is expected that Admission will become effective and that dealings will commence on 22 February 2019, and in any event no later than 8 March 2019.

Bookbuild

Commencing today, Canaccord Genuity will be conducting an accelerated bookbuilding process (the “**Bookbuilding Process**”) to determine demand for participation in the Placing by Placees. This document gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

Participation in, and principal terms of, the Bookbuilding Process

Each of Canaccord Genuity and its respective Affiliates is entitled to participate as a Placee in the Bookbuilding Process.

The Placing Price shall be payable to Canaccord Genuity by all Placees.

The Bookbuilding Process is expected to close not later than 4.30pm London time on 18 February 2019, but may be closed earlier at the sole discretion of Canaccord Genuity. A further announcement will be made following the close of the Bookbuilding Process confirming the results of the Placing and the Placing Price (the “**Result of Placing Announcement**”). Canaccord Genuity may, in its sole discretion, accept bids that are received after the Bookbuilding Process has closed.

A bid in the Bookbuilding Process will be made on the terms and conditions in this document and will not be capable of variation or revocation after the close of the Bookbuilding Process.

A Placee who wishes to participate in the Bookbuilding Process should communicate its bid by telephone to the usual sales contact at Canaccord Genuity. If successful, Canaccord Genuity will re-contact and confirm orally to Placees following the close of the Bookbuilding Process and the size of their respective allocations and a trade confirmation will be dispatched as soon as possible thereafter. Canaccord Genuity’s oral confirmation of the size of allocations and each Placee’s oral commitments to accept the same will constitute a legally binding agreement pursuant to which each such Placee will be required to accept the number of Placing Shares allocated to the Placee at the Placing Price set out in the Result of Placing Announcement and otherwise on the terms and subject to the conditions set out herein.

Canaccord Genuity reserves the right to scale back the number of Placing Shares to be subscribed by any Placee in the event of an oversubscription under the Placing. Canaccord Genuity also reserves the right not to accept offers to subscribe for Placing Shares or to accept such offers in part rather than in whole. The acceptance of offers shall be at the absolute discretion of Canaccord Genuity. Canaccord Genuity shall be entitled to effect the Placing by such alternative method to the Bookbuilding Process as it shall in its sole discretion determine. To the fullest extent permissible by law, neither Canaccord Genuity, any holding company thereof, nor any subsidiary, branch or affiliate of Canaccord Genuity (each an “**Affiliate**”) nor any person acting on their behalf shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, neither Canaccord Genuity, nor any Affiliate thereof nor any person acting on their behalf shall have any liability in respect of its conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as it may determine.

Each Placee’s obligations will be owed to the Company and to Canaccord Genuity. Following the oral confirmation referred to above, each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to Canaccord Genuity, to pay to Canaccord Genuity (or as Canaccord Genuity 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. The Company shall allot such Placing Shares to each Placee following each Placee’s payment to Canaccord Genuity of such amount.

All obligations of Canaccord Genuity under the Placing will be subject to fulfilment of the conditions referred to below under “**Conditions of the Placing**”.

Conditions of the Placing

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

The obligations of Canaccord Genuity under the Placing Agreement are conditional, inter alia, on admission occurring by no later than 8.00 a.m. on 22 February 2019 (or such later date as may be agreed between the Company and Canaccord Genuity, not being later than 8 March 2019).

If (a) the conditions are not fulfilled (or to the extent permitted under the Placing Agreement waived by Canaccord Genuity), or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and each Placee’s rights and obligations hereunder shall cease and determine at such time and no claim may be made by a Placee in respect thereof. Canaccord Genuity shall not 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 it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of the Placing generally.

By participating in the Placing, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described above and under “**Right to terminate under the Placing Agreement**” below, and will not be capable of rescission or termination by the Placee.

Right to terminate under the Placing Agreement

Canaccord Genuity may, at any time before Admission, terminate the Placing Agreement by giving notice to the Company if:

a) in the opinion of Canaccord Genuity, the Warranties are not true and accurate or have become misleading (or would not be true and accurate or would be misleading if they were repeated at any time before Admission) by reference to the facts subsisting at the time when the notice referred to above is given; or

b) in the opinion of Canaccord Genuity, the Company fails to comply with any of its obligations under the Placing Agreement; or

c) in the opinion of Canaccord Genuity, there has been a material adverse change in the financial position or prospects of the Company; or

d) in the absolute discretion of Canaccord Genuity, there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of material law or any other calamity or crisis; a suspension or material limitation in trading of securities generally on any stock exchange; any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption in commercial banking as would be likely to prejudice the success of the Placing.

By participating in the Placing, each Placee agrees with Canaccord Genuity that the exercise by Canaccord Genuity of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of Canaccord Genuity and that Canaccord Genuity need not make any reference to the Placee in this regard and that, to the fullest extent permitted by law, Canaccord Genuity shall not have any liability whatsoever to the Placee in connection with any such exercise.

No Prospectus

No offering document or prospectus has been or will be prepared in relation to the Placing and Placees' commitments will be made solely on the basis of the information contained in this document and any information previously published by or on behalf of the Company by notification to a Regulatory Information Service (as defined in the AIM Rules for Companies of the London Stock Exchange). Each Placee, by accepting a participation in the Placing, agrees that the content of this document is exclusively the responsibility of the Company and confirms to Canaccord Genuity and the Company that it has neither received nor relied on any information, representation, warranty or statement made by or on behalf of Canaccord Genuity (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), any of its Affiliates, any persons acting on its behalf or the Company and neither Canaccord Genuity nor any of its Affiliates, nor any persons acting on its behalf, nor the Company will be liable for the decision of any Placee to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons). By participating in the Placing, each Placee acknowledges to and agrees with Canaccord Genuity for itself and as agent for the Company that, except in relation to the information contained in this document, it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the Placing Shares (ISIN GB00B013H060) following Admission will take place within the CREST system, using the DVP mechanism, subject to certain exceptions. Canaccord Genuity reserves the right to require settlement for and delivery of the Placing Shares to Placees by such other means that it deems necessary, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this document or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by such Placee to Canaccord Genuity and settlement instructions. Placees should settle against CREST ID: 288. It is expected that such trade confirmation will be despatched on 18 February 2019 and that this will also be

the trade date. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the standing CREST or certificated settlement instructions which it has in place with Canaccord Genuity.

It is expected that settlement will be on 22 February 2019 on a T+3 basis in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of 2 percentage points above the base rate of Barclays Bank Plc.

Each Placee is deemed to agree that if it does not comply with these obligations, Canaccord Genuity may sell any or all of the Placing Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for its own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf.

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

Insofar as Placing Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to PTM levy, stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the Placing Shares, neither Canaccord Genuity nor the Company shall be responsible for the payment thereof. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and Warranties

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

1. represents and warrants that it has read and understood this document in its entirety and acknowledges that its participation in the Placing will be governed by the terms of this document;
2. acknowledges that no prospectus or offering document has been prepared in connection with the placing of the Placing Shares;
3. agrees to indemnify on an after-tax basis and hold harmless each of the Company, Canaccord Genuity, their respective Affiliates and any person acting on its behalf 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 in this document and further agrees that the provisions of this document shall survive after completion of the Placing;
4. acknowledges that the new Placing Shares of the Company will be admitted to the AIM market of the London Stock Exchange, and the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the London Stock Exchange (collectively, the "**Exchange Information**") and that the Placee is able to obtain or access the Exchange Information without undue difficulty;
5. acknowledges that neither Canaccord Genuity, nor any of their respective Affiliates nor any person acting on their behalf has provided, and will not provide it with any material or information regarding the Placing Shares or the Company; nor has it requested Canaccord Genuity, any of its Affiliates or any person acting on its behalf to provide it with any such material or information;
6. acknowledges that the content of this document is exclusively the responsibility of the Company and the persons stated therein as accepting responsibility for the Prospectus and that neither Canaccord Genuity, nor any of their respective Affiliates nor any person acting on their behalf will be responsible for or shall have any liability for any information, representation or statement relating to the Company contained in this document or any information previously published by or on behalf of the Company and neither Canaccord Genuity, nor any of their respective Affiliates nor any person acting on its behalf will be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this document or otherwise. Each Placee further represents, warrants and agrees that the only information on

which it is entitled to rely and on which such Placee has relied in committing to subscribe for the Placing Shares is contained in this document and any Exchange Information, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares, and that it has relied on its own investigation with respect to the Placing Shares and the Company in connection with its decision to subscribe for the Placing Shares and acknowledges that it is not relying on any investigation that Canaccord Genuity, any of its Affiliates or any person acting on their behalf may have conducted with respect to the Placing Shares or the Company and none of such persons has made any representations to it, express or implied, with respect thereto;

7. acknowledges that it has not relied on any information relating to the Company contained in any research reports prepared by Canaccord Genuity, its Affiliates or any person acting on its or any of its Affiliates' behalf and understands that (i) none of Canaccord Genuity, any of its Affiliates nor any person acting on its behalf has or shall have any liability for public information or any representation; (ii) none of Canaccord Genuity, any of its Affiliates nor any person acting on its behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this document or otherwise; and that (iii) none of Canaccord Genuity, any of its Affiliates nor any person acting on its behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this document or otherwise;
8. represents and warrants that (i) it is entitled to acquire the Placing Shares under the laws and regulations of all relevant jurisdictions which apply to it; (ii) it has fully observed such laws and regulations and obtained all such governmental and other guarantees and other consents and authorities which may be required thereunder and complied with all necessary formalities; (iii) it has all necessary capacity to commit to participation in the Placing and to perform its obligations in relation thereto and will honour such obligations; (iv) it has paid any issue, transfer or other taxes due in connection with its participation in any territory and (v) it has not taken any action which will or may result in the Company, Canaccord Genuity, any of its Affiliates or any person acting on its behalf being in breach of the legal and/or regulatory requirements of any territory in connection with the Placing;
9. represents and warrants that the issue to the Placee, or the person specified by the Placee for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to issue or transfer Placing Shares into a clearance system;
10. represents and warrants that it understands that the Placing Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States (as defined below) and that the Company has not been registered as an "investment company" under the United States Investment Company Act of 1940, as amended;
11. represents and warrants that unless it is "US Person" (within the meaning of Regulation S) that is a "qualified institutional buyer" (as defined in Rule 144A of the Securities Act) in the United States to which the Placing Shares will be offered on a private placement basis, it is, or at the time the Placing Shares are acquired, it will be, (a) the beneficial owner of such Placing Shares and is neither a person located in the United States of America, its territories or possessions, any state of the United States or the District of Columbia (the "United States") nor on behalf of a person in the United States, (b) acquiring the Placing Shares in an offshore transaction (as defined in Regulation S under the Securities Act) and (c) will not offer or sell, directly or indirectly, any of the Placing Shares in the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
12. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom prior to Admission except to "qualified investors" as defined in Article 2.1(e) of the Prospectus Directive;
13. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which it is permitted to do so pursuant to section 21 of FSMA;
14. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
15. represents and warrants that it has complied with its obligations in connection with money laundering and terrorist financing under the Criminal Justice Act 1993, the Proceeds of Crime

Act 2002, the Terrorism Act 2000, the Anti-terrorism Crime and Security Act 2001 and the Money Laundering Regulations (2017) (the “**Regulations**”) and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;

16. represents and warrants that it is (a) a person falling within Article 19(5) of the FPO or (b) a person falling within Article 49(2)(a) to (d) of the FPO 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;
17. represents and warrants that it is a qualified investor as defined in section 86(7) of FSMA, being a person falling within Article 2.1(e)(i), (ii) or (iii) of the Prospectus Directive;
18. undertakes that it (and any person acting on its behalf) will pay for the Placing Shares acquired by it in accordance with this document on the due time and date set out herein against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as Canaccord Genuity may, in its absolute discretions, determine 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 document) which may arise upon the sale of such Placee’s Placing Shares on its behalf;
19. acknowledges that none of Canaccord Genuity, any of its Affiliates nor any person acting on its behalf is making any recommendations to it or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing, and acknowledges that neither Canaccord Genuity, any of its Affiliates nor any person acting on its behalf has any duties or responsibilities to it for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of Canaccord Genuity’s rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;
20. undertakes that (i) the person whom it specifies for registration as holder of the Placing Shares will be (a) the Placee or (b) the Placee’s nominee, as the case may be, (ii) neither Canaccord Genuity 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 and (iii) the Placee and any person acting on its behalf agrees to acquire the Placing Shares on the basis that the Placing Shares will be allotted to the CREST stock account of Canaccord Genuity which will hold them as settlement agent as nominee for the Placees until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee’s stock account on a delivery versus payment basis;
21. acknowledges that any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract;
22. acknowledges that it irrevocably appoints any director of Canaccord Genuity as its agent for the purposes 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 agreed to be taken up by it under the Placing;
23. represents and warrants that it is not a resident of any Prohibited Jurisdiction and acknowledges that the Placing Shares have not been and will not be registered nor will a prospectus be cleared in respect of the Placing Shares under the securities legislation of any Prohibited Jurisdictions and, subject to certain exceptions, may not be offered, sold, taken up, renounced, delivered or transferred, directly or indirectly, within any Prohibited Jurisdiction;
24. represents and warrants that any person who confirms to Canaccord Genuity on behalf of a Placee an agreement to subscribe for Placing Shares and/or who authorises Canaccord Genuity to notify the Placee’s name to the Company’s registrar, has authority to do so on behalf of the Placee;
25. acknowledges that the agreement to settle each Placee’s acquisition of Placing Shares (and/or the acquisition of a person for whom it is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Company of the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Canaccord Genuity will be responsible. If this is the case, the Placee should take its own advice and notify Canaccord Genuity accordingly;

26. acknowledges that the Placing Shares will be issued and/or transferred subject to the terms and conditions set out in this document;
27. acknowledges that when a Placee or any person acting on behalf of the Placee is dealing with Canaccord Genuity any money held in an account with Canaccord Genuity on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Canaccord Genuity money in accordance with the client money rules and will be used by Canaccord Genuity in the course of its business; and the Placee will rank only as a general creditor of Canaccord Genuity (as the case may be);
28. acknowledges and understands that the Company, Canaccord Genuity, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, undertakings and acknowledgements;
29. acknowledges that until 40 days after the later of the commencement of the Placing and the closing date, an offer or sale of Placing Shares within the United States by any dealer (whether or not participating in the Placing) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act to a person that is a “qualified purchaser” (as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended); and
30. acknowledges that the basis of allocation will be determined by Canaccord Genuity (after consulting with the Company) at its absolute discretion. The right is reserved to reject in whole or in part and/or scale back any participation in the Placing.

Additional Representations and Warranties by US Persons

In addition to the foregoing, each Placee which is a US Person to which the Placing Shares will be offered in transactions exempt from, or not subject to, the registration requirements of the Securities Act represents, warrants and agrees as follows:

31. that (a) it is qualified institutional buyer within the meaning of Rule 144A of the Securities Act; (b) it is a “qualified purchaser” within the meaning of Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (“**QP**”), and is not (i) a broker or dealer which owns or invests less than US\$25 million in securities of unaffiliated issuers; (ii) a participant-directed employee plan or (iii) formed for the purposes of investing in the Placing Shares or the Company; (c) it has duly executed, or will duly execute, an investor letter in the form provided to it by Canaccord Genuity in which it will make certain undertakings, representations and warranties in addition to those contained herein; and (d) it is subscribing for the Placing shares for its own account, or for the account managed on behalf of another QIB that is also a QP, and not with a view to any distribution within the meaning of the Securities Act or applicable state law except as set forth below;
32. it acknowledges and agrees that no offering circular or prospectus will be provided in connection with the Placing Shares and it has, or to the extent it is acquiring Placing Shares for the account of another QIB, such other QIB (a) has, sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risks of the purchase of the Placing Shares; (b) is able to bear the economic and financial risk (including a complete loss) of such a purchase; (c) has had sufficient time to consider and conduct its own investigation with respect to the offer and purchase of the Placing Shares, including the tax, legal, currency and other economic considerations relevant to such investment and (d) will not look to the Company, Canaccord Genuity, any of their respective Affiliates or any person acting on their behalf for all or part of any such loss or losses it or they may suffer;
33. it understands and agrees that (a) the Placing Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act; (b) the undersigned will not offer, sell, transfer, pledge, hypothecate or otherwise dispose of any Placing Shares except in an offshore transaction outside the United States in accordance with Regulation S under the Securities Act (and not in a prearranged transaction resulting in the sale of Placing Shares into the United States or to a US Person) in accordance with any other applicable laws of the United States governing the offer and sale of such Placing Shares, and in each case it will notify any purchaser of the Placing Shares of the resale restrictions relating to the Placing Shares, if still applicable; (c) understands and agrees that the Placing Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend to that effect in addition to such other legends as the Company deems necessary or as are required

under applicable law and (d) understands that the Company or registrar and transfer agent for the Placing Shares will not be required to accept for registration of transfer any Placing Shares except upon presentation of evidence (including an opinion of legal counsel satisfactory to the Company) to the Company and the transfer agent that the foregoing restrictions on transfer have been complied with;

34. it understands and agrees that if any beneficial owner or ordinary shares in the Company is at any time a US person and not a QP, the Company may (i) require such beneficial owner to sell its ordinary shares to a person who is not a US person or who is a QIB and a QP and is qualified to purchase such shares in a transaction exempt from registration under the Securities Act or (ii) sell such shares on behalf of such beneficial owner at the best price reasonably obtainable to a person who is not a US person or who is a QIB and a QP and is qualified to purchase such shares in a transaction exempt from registration under the Securities Act;
35. without limiting the generality of clause (c) of paragraph 32 above, it acknowledges that the Company may be a passive foreign investment company (“**PFIC**”) for US federal income tax purposes, and it could be a PFIC in future years. The Company has not undertaken an extensive PFIC analysis, however, if such analysis reveals no significant differences between tax and book values for income and losses, then there is a significant likelihood that the Company is a PFIC currently and may be a PFIC in future years. If the Company is a PFIC, then US taxable investors may be subject to adverse US tax consequences in respect of their investment in the Company’s shares. US investors may be able to mitigate these adverse US tax consequences by making certain elections for US tax purposes;
36. it agrees that no purchaser of the Placing Shares shall deposit the Placing Shares into any unrestricted American Depositary Receipt facility established or maintained by a depository bank, unless and until such time as such Placing Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act; and
37. it acknowledges and agrees that the Company, Canaccord Genuity, their respective Affiliates and any person acting on their behalf will rely upon its representations, warranties, undertakings, agreements and acknowledgments set forth herein and in the investor letter, and agrees to notify the Company and Canaccord Genuity promptly in writing if any of its representations, warranties, undertakings, agreements or acknowledgements cease to be accurate and complete.

The acknowledgements, agreements, undertakings, representations and warranties referred to above are given to each of the Company and Canaccord Genuity (for its own benefit and, where relevant, the benefit of its Affiliates and any person acting on its behalf) and are irrevocable.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued or transferred (as the case may be) into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee’s nominee.

Any arrangements to issue or transfer the Placing Shares into a depository receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depository receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to stamp duty and/or stamp duty reserve tax, for which neither the Company nor Canaccord Genuity will be responsible and the Placee to whom (or on behalf 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 stamp duty or stamp duty reserve tax undertakes to pay such stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Canaccord Genuity in the event that any of the Company and/or Canaccord Genuity has incurred any such liability to stamp duty or stamp duty reserve tax.

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 UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

All times and dates in this document may be subject to amendment. Canaccord Genuity shall notify the Placees and any person acting on behalf of the Placees of any such changes.

This document has been issued by the Company and is the sole responsibility of the Company.

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

Each Placee may be asked to disclose in writing or orally to Canaccord Genuity:

- (a) if he is an individual, his nationality; or
- (b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.