

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document or about what action to take, you are recommended to seek your own independent professional advice immediately from your stockbroker, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction. The whole of this document should be read. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should in particular carefully consider the section entitled “Risk Factors” set out in Part 2 of this document.

If you have sold or otherwise transferred all of your Ordinary Shares in FireAngel Safety Technology Group plc (the “Company”) before 6 June 2023 (being the date when the Existing Ordinary Shares were marked “ex-entitlement” to the Open Offer), please send this document, but not any accompanying Application Form (and accompanying reply-paid envelope (for use within the UK only)) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK if to do so would constitute a violation of the relevant laws and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the information regarding split applications contained in the Application Form (if relevant).

The total consideration under the Open Offer is less than €8 million (or an equivalent Pounds Sterling amount) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, the Open Offer does not require the issue of a prospectus for the purposes of the Prospectus Regulation Rules. The Placing Shares and the Subscription Shares are only available to qualified investors for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Therefore, none of the Placing, the Subscription or the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Regulation Rules and, accordingly, this document has not been, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body, and has not been approved for the purposes of section 21 of FSMA.

This document does not constitute an admission document drawn up in accordance with the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document. This document does not constitute a recommendation regarding securities of the Company. The New Ordinary Shares will not be dealt on any other recognised investment exchange and no other such application will be made. The rules applicable to AIM are less demanding than those applicable to the Official List of the FCA.

The Company and each of the Directors, whose names appear on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Application will be made to the London Stock Exchange for the New Ordinary Shares (but not the Warrants) to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. It is expected that admission of the New Ordinary Shares will become effective, and that dealings on AIM will commence, at 8.00 a.m. on 28 June 2023.

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## **FIREANGEL SAFETY TECHNOLOGY GROUP PLC**

*(a public limited company incorporated in England and Wales with registered number 03991353)*

**Open Offer of up to 120,711,091 New Ordinary Shares and up to  
60,355,545 Warrants to subscribe for Ordinary Shares**

**and**

**Placing and Subscription of up to 120,711,091 New Ordinary Shares and up to  
60,355,545 Warrants to subscribe for Ordinary Shares**

**in each case at 5.05 pence per New Ordinary Share**

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You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Board which is set out in Part 1 of this document. That letter explains the background to, and reasons for, the Fundraising.

**The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 22 June 2023. The procedure for acceptance and payment is set out in Part 3 of this document and, where relevant and appropriate, in the Application Form.**

Save as described herein, Qualifying Non-CREST Shareholders will find an Application Form enclosed with this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will, save as described herein, receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement which will be enabled for settlement on 7 June 2023.

Applications under the Open Offer may only be made by the Qualifying Shareholders originally entitled thereto or by a person entitled by virtue of a *bona fide* market claim arising out of the sale or transfer of Existing Ordinary Shares prior to the date on which the relevant Existing Ordinary Shares are marked “ex-entitlement” by the London Stock Exchange. Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Open Offer.

If the Open Offer Entitlements are for any reason not enabled by 11.00 a.m. on 7 June 2023 (or such later time and/or date as the Company may decide), save as described herein, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for their Open Offer Entitlement being credited to their stock account in CREST. Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer. The Application Form is personal to Qualifying Non-CREST Shareholders and cannot be transferred, sold, or assigned except to satisfy *bona fide* market claims.

The New Ordinary Shares, the Open Offer Entitlements and the Warrants described in this document have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities laws of any state of the United States. The New Ordinary Shares, the Open Offer Entitlements and the Warrants are being offered outside of the United States in “offshore transactions” pursuant to Regulation S of the Securities Act and none of the New Ordinary Shares, the Open Offer Entitlements, the Warrants nor the Application Form may be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the New Ordinary Shares, Open Offer Entitlements or the Warrants in the United States. The New Ordinary Shares, the Open Offer Entitlements and the Warrants have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the Warrants or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, offers, sales or transfers of the New Ordinary Shares or the Warrants in or into the United States for a period of time following Admission by a person (whether or not participating in the Fundraising) may violate the registration requirements of the Securities Act. Furthermore, the Ordinary Shares and the Warrants have not been and will not be registered under the applicable laws of any of Australia, Canada, Japan, the Republic of South Africa and New Zealand (together with the United States, the “**Restricted Jurisdictions**”) and, consequently, subject to certain exemptions, may not be offered or sold to any national, resident or citizen thereof.

All persons, including nominees, custodians and trustees, must observe these restrictions and, subject to certain exemptions, may not send or distribute this document into the United States or any other Restricted Jurisdiction. All Overseas Shareholders and any person (including, without limitation, agents, custodians, nominees or trustees) who has a contractual or other legal obligation to forward any documents issued by the Company in connection with the Fundraising, if and when received, to a jurisdiction outside the United Kingdom should read paragraphs 6 and/or 7 of Part 3 of this document.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or

distribution, directly or indirectly, in or into the United States, Australia, Canada, New Zealand, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Shore Capital and Corporate Limited ("**Shore Capital & Corporate**"), which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company in connection with the matters described in this document and is not acting for any other persons in relation to the Fundraising and Admission. Shore Capital & Corporate is acting exclusively for the Company and for no one else in relation to the contents of this document and persons receiving this document should note that Shore Capital & Corporate will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital & Corporate or for advising any other person on the arrangements described in this document. The responsibilities of Shore Capital & Corporate as the Company's nominated adviser under the AIM Rules and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or other person in respect of their decision to acquire shares in the capital of the Company in reliance on any part of this document and/or the Application Form, or otherwise.

Shore Capital Stockbrokers Limited ("**Shore Capital Stockbrokers**" and together with Shore Capital & Corporate, "**Shore Capital**"), which is authorised and regulated in the UK by the FCA, is acting as broker to the Company in connection with the matters described in this document and is not acting for any other persons in relation to the Fundraising and Admission. Shore Capital Stockbrokers is acting exclusively for the Company and for no one else in relation to the contents of this document and persons receiving this document should note that Shore Capital Stockbrokers will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital Stockbrokers or for advising any other person on the arrangements described in this document.

#### **Cautionary note regarding forward-looking statements**

This document contains statements about the Company that are or may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements may include, without limitation, statements relating to future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects, etc.

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or FSMA), the Company, Shore Capital and their respective directors, officers, employees, agents, members and partners expressly disclaim any obligation or undertaking to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

## **Information for Distributors**

### **UK Product Governance Requirements**

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any ‘manufacturer’ (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the New Ordinary Shares and the Warrants have been subject to a product approval process, which has determined that the New Ordinary Shares and the Warrants are: (a) compatible with an end target market of (i) retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA), (ii) investors who meet the criteria of professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA) and (iii) eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (b) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the “**UK Target Market Assessment**”).

Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the New Ordinary Shares (and any Ordinary Shares to be issued on exercise of the Warrants) may decline and investors could lose all or part of their investment; the New Ordinary Shares, the Warrants and any Ordinary Shares to be issued on exercise of the Warrants offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares (and any Ordinary Shares to be issued on exercise of the Warrants) is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraising. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, Shore Capital Stockbrokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares, the Warrants or any Ordinary Shares to be issued on exercise of the Warrants. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares, the Warrants and any Ordinary Shares to be issued on exercise of the Warrants and determining appropriate distribution channels.

### **EU Product Governance Requirements**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any ‘manufacturer’ (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Ordinary Shares and the Warrants have been subject to a product approval process, which has determined that the New Ordinary Shares and the Warrants are: (i) compatible with an end target market of retail clients and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**EU Target Market Assessment**”).

Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the New Ordinary Shares (and any Ordinary Shares to be issued on exercise of the Warrants) may decline and investors could lose all or part of their investment; the New Ordinary Shares, the Warrants and any Ordinary Shares to be issued on exercise of the Warrants offer no guaranteed income and no capital protection; and an investment in the New Ordinary Shares (and any Ordinary Shares to be issued on exercise of the Warrants) is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU

Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Fundraising. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, Shore Capital Stockbrokers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the New Ordinary Shares, the Warrants or any Ordinary Shares to be issued on exercise of the Warrants. Each distributor is responsible for undertaking its own target market assessment in respect of the New Ordinary Shares, the Warrants and any Ordinary Shares to be issued on exercise of the Warrants and determining appropriate distribution channels.

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## DIRECTORS, COMPANY SECRETARY AND ADVISERS

<b>Directors</b>	Zoe Fox ( <i>Chief Finance Officer</i> ) Jon Kempster ( <i>Non-Executive Director</i> ) Simon Herrick ( <i>Non-Executive Director and Senior Independent Director</i> ) Graham Whitworth ( <i>Non-Executive Director</i> )
<b>Proposed Directors</b>	Andrew Blazye ( <i>Proposed Non-Executive Chair</i> ) Neil Radley ( <i>Proposed Chief Executive</i> )
<b>Company Secretary</b>	ONE Advisory Limited 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT
<b>Registered Office</b>	Vanguard Centre Sir William Lyons Road Coventry CV4 7EZ
<b>Nominated Adviser</b>	Shore Capital and Corporate Limited Cassini House 57 St. James's Street London SW1A 1LD
<b>Broker</b>	Shore Capital Stockbrokers Limited Cassini House 57 St. James's Street London SW1A 1LD
<b>Legal Advisers to the Company</b>	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
<b>Legal Advisers to the Nominated Adviser and Broker</b>	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL
<b>Registrars and Receiving Agent</b>	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
<b>Company website</b>	<a href="http://www.fireangeltech.com">www.fireangeltech.com</a>

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS<sup>(1), (2)</sup>

	<b>2023</b>
Record Date for entitlements under the Open Offer	6.00 p.m. on 5 June
Announcement of the Fundraising	6 June
Ex-entitlement date for the Open Offer	8.00 a.m. on 6 June
Posting of this document and, to Qualifying Non-CREST Shareholders only, the Application Form <sup>(3)</sup>	6 June
Publication of notice of the Open Offer in the London Gazette	6 June
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders <sup>(3)</sup>	7 June
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST <sup>(3)</sup>	4.30 p.m. on 16 June
Latest time and date for depositing Open Offer Entitlements into CREST <sup>(3)</sup>	3.00 p.m. on 19 June
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 20 June
<b>Latest time and date for receipt of completed Application Forms from Qualifying Non-CREST Shareholders and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)<sup>(3),(4)</sup></b>	<b>11.00 a.m. on 22 June</b>
Announcement of the result of the Open Offer	23 June
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 28 June
CREST Members' accounts expected to be credited in respect of New Ordinary Shares in uncertificated form <sup>(3)</sup>	28 June
Expected date of the 2023 AGM	30 June
Expected despatch of definitive share certificates for Warrants in certificated form <sup>(3),(5)</sup>	by 10 July
Expected despatch of definitive share certificates for New Ordinary Shares in certificated form <sup>(3)</sup>	by 12 July

### Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through an RIS.
2. All of the times above refer to London time.
3. Subject to certain restrictions relating to Qualifying Shareholders with registered addresses in, or who are located and/or resident in or are citizens of, in each case, countries outside the UK (details of which are set out in Part 3 of this document).
4. In order to apply for Open Offer Shares and Warrants under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in Part 3 of this document and, where relevant, complete the Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars during normal office hours on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131. Calls to the Neville Registrars' help lines are charged at your provider's standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.
5. Subject to, amongst other things, the Warrant Resolution being duly passed at the 2023 AGM.



## FUNDRAISING STATISTICS

Closing Price per Ordinary Share <sup>(1)</sup>	6.75 pence
Issue Price per New Ordinary Share	5.05 pence
Basis of Open Offer	two Open Offer Shares and one Warrant for every three Existing Ordinary Shares <sup>(2)</sup>
Discount to Closing Price per Ordinary Share <sup>(1)</sup>	25.2 per cent.
Number of Ordinary Shares in issue <sup>(3)</sup>	181,066,637
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising <sup>(2), (4)</sup>	120,711,091
Maximum number of Warrants to be issued	60,355,545
Maximum gross proceeds of the Fundraising <sup>(4)</sup>	£6.1 million
Maximum number of Ordinary Shares in issue immediately following Admission <sup>(4)</sup>	301,777,728
Percentage of Enlarged Share Capital represented by the New Ordinary Shares	40.0 per cent.
Estimated maximum net proceeds of the Fundraising <sup>(5)</sup>	£5.35 million
Maximum number of Ordinary Shares to be issued on exercise of Warrants <sup>(6)</sup>	60,355,545
Maximum proceeds receivable by the Company on exercise of Warrants <sup>(6)</sup>	£1.81 million
Percentage of Enlarged Share Capital represented by the New Ordinary Shares and the Warrants	50.0 per cent.
Ordinary Shares ISIN	GB0030508757
Ordinary Shares SEDOL	3050875
Open Offer Entitlements ISIN	GB00BN7K3M60
Open Offer Entitlements SEDOL	BN7K3M6

**Notes:**

1. Closing Price on the Latest Practicable Date.
2. Fractions of Open Offer Shares and/or Warrants will not be allotted to Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares and/or Warrants (as the case may be).
3. As at the Latest Practicable Date.
4. Based on the number of Ordinary Shares in issue on the Latest Practicable Date and assuming that: (a) all of the New Ordinary Shares are issued; and (b) no other Ordinary Shares are issued following the Latest Practicable Date.
5. Based on the estimated expenses of the Fundraising and assuming all of the New Ordinary Shares are issued (excluding any Ordinary Shares which might be issued on the exercise of the Warrants).
6. Not exercisable prior to one year after the issue of the Warrants.

## PART 1

### LETTER FROM THE BOARD

# FireAngel Safety Technology Group plc

*(a public limited company incorporated in England and Wales with registered number 03991353)*

*Directors:*

Zoe Fox (*Chief Finance Officer*)  
Jon Kempster (*Non-Executive Director*)  
Simon Herrick (*Non-Executive Director and Senior Independent Director*)  
Graham Whitworth (*Non-Executive Director*)

*Registered Office:*

Vanguard Centre  
Sir William Lyons Road  
Coventry  
CV4 7EZ

*Proposed Directors:*

Andrew Blazye (*Proposed Non-Executive Chair*)  
Neil Radley (*Proposed Chief Executive*)

6 June 2023

*To holders of Ordinary Shares and, for information only, to holders of options over Ordinary Shares*

Dear Shareholder,

**Open Offer of up to 120,711,091 New Ordinary Shares  
and up to 60,355,545 Warrants to subscribe for Ordinary Shares**

**and**

**Placing and Subscription of up to 120,711,091 New Ordinary Shares and up to 60,355,545  
Warrants to subscribe for Ordinary Shares**

**in each case at 5.05 pence per New Ordinary Share**

#### 1. Introduction

Earlier today, the Company announced that it was proposing to raise up to approximately £6.1 million (before expenses) by way of an Open Offer of up to (a) 120,711,091 New Ordinary Shares at an issue price of 5.05 pence per New Ordinary Share (the “**Issue Price**”) and (b) 60,355,545 Warrants, on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date. Holders of Warrants may exercise the Warrants during an Exercise Window at an exercise price of 3 pence (£0.03) per warrant. Warrants which are not exercised before the Final Exercise Date shall lapse. Further details on the Warrants is set out in paragraph 10 below and in Part 5 of this document.

In addition, the Company announced that it had conditionally raised up to approximately £6.1 million<sup>1</sup> (before expenses) from certain existing Shareholders, new investors and the Subscriber by means of a Placing and Subscription of up to (a) 120,711,091 New Ordinary Shares at the Issue Price and (b) 60,355,545 Warrants, on the basis of one Warrant for every two New Ordinary Shares subscribed for pursuant to the Placing and Subscription, in each case subject to clawback under the Open Offer.

It should be noted that New Ordinary Shares and Warrants will only be issued pursuant to the Placing and the Subscription if and to the extent that the Open Offer is not validly subscribed in full by holders of Existing Ordinary Shares and will result in a maximum of 120,711,091 New Ordinary Shares and 60,355,545 Warrants being issued pursuant to the Open Offer, the Placing and the Subscription (the “**Fundraising**”). Furthermore, the Open Offer is not conditional on completion of the Placing or the Subscription (although the Placing and the Subscription are inter-conditional).

The Issue Price represents a discount of approximately 25.2 per cent. to the Closing Price of 6.75 pence on 5 June 2023, being the Latest Practicable Date. The Fundraising is conditional on, *inter alia*, Admission becoming effective by no later than 8.00 a.m. on 28 June 2023 (or such other

<sup>1</sup> Of this amount, £2.1 million will comprise the release of the Company from its obligations and liabilities to pay the Outstanding Amount under or pursuant to the Supply Agreement.

time and/or date as the Company and Shore Capital may agree). It is expected that the New Ordinary Shares will be admitted to trading on AIM at or around 8.00 a.m. on 28 June 2023.

Shareholder approval to grant authority to the Directors to allot the New Ordinary Shares was obtained at the 2022 AGM. However, a resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, **there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be issued.**

As announced earlier today, the Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company. Further details of the strategic review are set out in paragraph 4 below.

In addition, earlier today, the Company announced that John Conoley had resigned as a director of the Company and that Andrew Blazye and Neil Radley were proposed to be appointed to the Board as Non-Executive Chair and Chief Executive respectively with effect from 7 June 2023. Further details on the Proposed Directors are set out in paragraph 16 below.

The purpose of this document is to set out the background to, and reasons for, and provide further information on, the Fundraising and to explain why the Board considers the Fundraising to be in the best interests of the Company and Shareholders as a whole.

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

As separately announced today in its audited final results for the year ended 31 December 2022 (“FY22”), the Group delivered strong revenue growth of 32 per cent. in FY22, despite being significantly constrained by supply chain issues and macro-economic challenges and the delivery of management’s improvement plans led to the Group’s highest revenue and adjusted gross profit performance since FY17.

The Directors believe that there is continuing demand for the Group’s safety products, driven by societal and regulatory changes across several of the Group’s markets, including fire and carbon monoxide alarm legislation, along with wider social housing reform and environmental legislation, particularly in the UK later this year. There are forthcoming regulatory tailwinds, particularly in Germany and France, which are expected to support further growth in 2024 onwards. In addition, the Company continues to deliver significant self-help measures, which are expected to further improve its performance in 2023 and beyond.

Whilst these market tailwinds helped to drive strong revenue growth in FY22, the Directors believe the Group’s ability to meet the growing demand was significantly constrained by the widely reported supply chain challenges and component shortages. When combined with the impact of significant currency fluctuation, inflation and Purchase Price Variance (“PPV”), the Group had to maintain an intense operational focus to manage the impact of these dynamics. Therefore, whilst the reported results for FY22 inevitably reflect these challenges, the steps which have been taken to drive improvements to manage the impact of price rises, improve value engineering to reduce costs on selected products, introduce additional entry level products and renegotiate terms on certain contracts, have all been critical in helping to deliver revenue and adjusted margin growth. The Board considers that the Group’s underlying performance in FY22 better demonstrates the strong progress made over the course of the year.

The Group has continued to make further headway against a number of its strategic initiatives. A significant highlight is the progress made with the Group’s long-term partnership with Techem Energy Services GmbH (“Techem”), the German energy efficiency service provider, to develop a new generation smoke alarm (“NGSA”). The Board believes this partnership presents a transformational opportunity for FireAngel with significant earnings potential. Significantly, on 18 April 2023, the Company announced the signing of two delivery and production agreements with its long-term manufacturing partner and Techem, marking yet another important milestone for the Company as it continues to progress its transformational partnership with Techem. Further details on the progress made on each of the Company’s strategic objectives are set out below.

### ***Margin improvement***

The Group's key objectives are to increase margin and build Shareholder value year-on-year. The Directors believe that the Group's success in achieving these objectives will be driven, principally, by leveraging its differentiated products and relationships in customer markets. The three key focuses to achieve this are:

- i) moving to higher value activities;
- ii) commercialising investment in the Group's Connected technology; and
- iii) implementing other gross margin improvements across the value chain.

Despite the many macroeconomic and geopolitical challenges experienced in FY22, further progress has been made against these objectives and the Company is hopeful of seeing gross profit improvement from 2023 onwards coming from certain identified self-help initiatives and core business growth, as well as the contribution from the higher value Techem activities.

#### *i) Moving to higher value activities*

FY22 saw the Group progress its exclusive long-term partnership with Techem to develop a NGSA primarily for the German market which, as set out above, has continued this year.

Techem has selected the FireAngel CO sensor to be part of the product specification, which will be manufactured at the Group's factory in Mississauga, Canada. The Group will invest in improving capacity and efficiency in this facility in 2023 and 2024, which the Directors expect to support the realisation of the Group's significantly increased medium-term financial opportunity through its partnership with Techem.

Product development activities progressed in line with the planned milestones and the development phase of the project is now 45 per cent. complete, on a planned man-days basis. In addition, the electronics development of the agreement is now 91 per cent. complete and on schedule. The focus has now turned to manufacturing related milestones.

As set out above, on 18 April 2023, the Company announced that it had signed two delivery and production agreements with its long-term manufacturing partner and Techem regarding the NGSA. The arrangements have seen the Group enter into:

- (i) a Delivery Contract ("**DC**") which sees the Company and Techem procure the long-term manufacturing partner to produce the NGSA, as per an agreed FireAngel design specification, at volume; and
- (ii) a separate Production Framework and Supply Agreement ("**PFSA**") pursuant to the terms of which FireAngel will become the contracting party for its long-term manufacturing partner and take responsibility for overseeing the production of the NGSA, its certification and delivery into market. Techem will manage marketing, sales and customer relationships.

The Directors believe that these agreements will be highly cash generative for the Group in due course. Techem's procurement of specialist production and test equipment has already commenced immediately to ensure the earliest possible build-up of manufacturing volume.

Pursuant to the terms of the DC, initial shipments of the NGSA are expected to commence in 2024. Volumes are expected to build during the first half of 2025. The planned maximum annual throughput is anticipated to be up to 1.8 million products. Actual production volume will be determined by standard manufacturing considerations and specific demand at any one time. The Group expects to earn an aggregate of up to approximately US\$7.50 per alarm (comprising fees, royalties and the purchase price for the Company's own CO sensor). This is a significant improvement on the previously announced approximately €5 per product and has been agreed as part of the PFSA.

The development agreement, which was entered into with Techem on 7 April 2021, was predicated on an initial forecast of approximately 7 million units of the NGSA being sold. This opportunity has now increased to up to US\$53 million on the same unit forecast. Previously this partnership offered the Company an opportunity for income of approximately US\$38 million. Whilst this forecast may in future vary up or down and will depend, among other things, on the precise delivery date, Techem and FireAngel will co-operate to assess and maximise the overall opportunity. The Company and Techem have previously agreed on a minimum royalty fee of €3.0 million which is payable to

FireAngel after delivery commences or over a maximum period of 30 months. There is no ordinary right of termination under the development agreement for either party and Techem is paying the Company for the research and development phases as well as further payments for reaching certain per-agreed milestones in the process. In addition, the Company expect to be able to recharge up to approximately £0.5 million of additional development fees to Techem to cover the transition to manufacturing.

The Techem partnership is an opportunity which the Board expects in due course to be highly cash generative for the Group and to generate significant long term strategic value for Shareholders.

Furthermore, during 2022, as part of its strategic priority to move to higher value activities, the Group continued to progress its partnership with its long-term manufacturing partner to source new entry and mid-level products, increasing revenue and driving margin expansion. The project which concluded in Q1 2022 has, since then, generated over 1 million units of sales with the production of the products being margin enhancing for the Group as planned. A further range of opening price point products is now expected to be launched in Q4 2023 and is expected to generate £2.0 million of revenue for the Group annually from 2024.

On 31 March 2023, the Company announced that it had signed a three-year contract with British Gas Services Limited (“**BGSL**”) to supply a range of FireAngel branded products through various BGSL supply, service and cover packages such as British Gas Services and solutions and HomeCare. The contract, which is valued at an estimated £6.0 million over its three-year term, will build on FireAngel’s existing ten-year relationship with BGSL. The previous relationship was based on a limited range of products and the contract was extended annually. The new contract includes the supply of a wider range of innovative smoke, heat and carbon monoxide battery and mains powered alarms, as well as FireAngel’s Connected products for residential use.

Finally, on 12 May 2023, the Company announced that it had been commissioned by a government agency to supply smoke and heat alarms for a large, connected alarm project for low income families in the Middle East. The contract, which is valued at an estimated £1.5 million, will be delivered during the course of 2023 and includes the supply of over 60,000 Connected smoke and heat alarms, which will be installed in over 5,000 properties.

*ii) Commercialising investment in the Group’s Connected technology*

Commercialising the Group’s significant investment in its Connected Homes technology means selling more connected alarms, while learning what part data generation could play in adding a new layer to the Group’s future activities and revenue streams. As evolving policy and legislation becomes more defined, the Directors believe that FireAngel’s Connected technology is increasingly well positioned to meet the growing demand for fire safety technology across its markets. However, the Directors note that due to component sourcing challenges throughout much of FY22, the supply of products has been a major constraint on the growth of the Group’s Connected proposition. Fortunately, these issues are abating and, as visibility of component supply improves and production returns to normal levels, the Group plans to re-energise its strategic Connected vision during 2023. The key spearhead in the Group’s IoT offering is the planned launch of the Home Environment Gateway, which also enables temperature and humidity monitoring, which is expected to be in Q4 2023. The Board believes that continued market and societal development supports the expected success of this initiative.

*iii) Implementing other gross margin improvements across the value chain*

In 2022, the Group worked on and began to execute a number of self-help initiatives, such as the delivery of new low to mid-level products with its long-term manufacturing partner, initial price rises, phasing out of expensive PET packaging, and other small scale operational improvements. These initiatives generated approximately £6.0 million of margin improvements by the end of FY22, which helped reduce some of the impact caused by the macroeconomic events of 2022.

However, in mid-2022, the Company also began work on further self-help measures in the face of the many continuing macroeconomic issues previously mentioned. Many of these are already significantly advanced, or complete, including further market price adjustments, cost engineering of selected products and packaging. Through these initiatives, the Board expects to deliver an estimated £4.0 million of further margin improvement in the year ending 31 December 2023 (“**FY23**”) before any impact of inflation or exceptional currency movements, with approximately £4.0 million of additional margin on an annualised basis following the end of FY23.

The Board notes that many of the challenging macroeconomic issues have improved. Component shortages are now starting to stabilise. Longer lead times on supply chain forecasting and commitments have not yet improved, although the Directors believe this could improve as the years go by. Shipping times from Asia remain slightly elongated. Lost sales momentum due to the supply constraint issues, particularly in the UK trade market, is expected to be re-established during the course of 2023. The Group continues to be vigilant in maintaining its hedging policies, currency having had a major negative effect on the Group particularly in late 2022.

### **Continued progress despite macroeconomic challenges**

The Group achieved adjusted<sup>2</sup> gross margin of 24.2 per cent. in the year ended 31 December 2021 (“FY21”) and 23.5 per cent. in FY22. However, the Board notes that the underlying improvement in FY22’s gross margin is masked by the macroeconomic pressures faced and referred to above. Furthermore, the Directors note that after further adjusting for adverse currency movement on cost of goods (at 2021’s average FX rate) (£4.2 million excluding hedging gains or losses) and inflation at 8 per cent. on cost of goods sold, FY22’s adjusted gross margins would have been approximately 33.4 per cent. In addition, the Directors estimate that lost revenue in FY22 (estimated at between £5.0 million and £10.0 million) from supply chain shortages would have added a further £1.5 million to £3.0 million of gross profit in that year.

The Directors believe that the Net Proceeds will help to strengthen the Group’s balance sheet and accelerate the Group’s growth in both sales and margin and thereby enhance Shareholder value. The Board is committed to enhancing shareholder value and while it believes that the partnership with Techem will contribute significantly to achieving this, it accepts that the Company will be faced with multiple routes to realising value for all Shareholders. The Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company.

### **3. Current trading and outlook**

On 25 April 2023, the Company released the following announcement entitled Trading Update:

*“Further to its announcement of 24 January 2023, FireAngel (AIM: FA.), a leading developer and supplier of home safety products, provides the following trading update.*

*Trading in the year to date is in line with the Board’s expectations with two particular exceptions which will not be recovered this year, although the effect of those exceptions is partly mitigated by lower than expected costs. The well publicised global supply chain issues of 2022 affected the Company by causing lower production than planned, leading to restricted or intermittent supply to its end customers. This especially affected products destined for the UK Trade market and involved the Company’s higher function higher margin products. This has led to a loss of momentum which the Board is working hard to restore, but it might take the rest of 2023 to achieve.*

*Two significant contracts, one in the Company’s UK Utilities Division and one in the International Division, were originally expected to contribute strongly to Q1 2023. However, only one of them (a three year contract with British Gas Services Limited which was announced on 31 March 2023) has been secured to date, which will commence deliveries during Q2 2023, leading to slightly lower revenues than forecast for the year ending 31 December 2023 (“FY2023”). The Board now expects the Group’s EBITDA for FY2023 to be materially below market expectations. The other significant contract is expected to be signed shortly.*

*The previously mentioned loss of momentum in UK Trade, caused mainly by a prolonged lack of shipments of stock due to macroeconomic conditions in 2022, is expected to ease across FY2023. The Company’s previously announced self-help measures, including price increases, have filtered through into new orders in Q1 2023 and will translate into revenues from Q2 2023 onwards. The Board remains confident that the Group will deliver an improved performance in FY2023.”*

The Board confirms that the “other significant contract” referred to above was announced on 12 May 2023 and there has been no change in the Company’s expectations for FY2023 since the above announcement was released on 25 April 2023.

<sup>2</sup> Adjusted gross profit is stated before non-underlying items, purchase price variance (“PPV”) and mark to market (“MTM”) profit or loss on forward contracts

#### 4. Strategic Review

As announced earlier today, the Board has committed to undertake a strategic review to explore options to realise value for Shareholders as soon as reasonably practicable which may or may not involve a sale of the Company.

As the Company is subject to the City Code on Takeovers and Mergers (the “City Code”) and one of the options that is being considered by the Board is a potential sale of the Group, the Company is considered to be in an “offer period” as defined in the City Code, and the dealing disclosure requirements as set out at paragraph 13 below will apply.

The Group is not in receipt of any approach, nor in discussions with any potential offeror, at the date of this document. Further information on the City Code is set out in paragraph 13 below.

#### 5. Audited final results for FY22

Earlier today, the Company announced its audited final results for FY22.

In FY22, the Group delivered impressive revenue growth, of 32 per cent, to £57.5 million (2021: £43.5 million). The adjusted gross profit<sup>3</sup> was £13.5 million (2021: £10.5 million), which represented an adjusted gross margin<sup>4</sup> of 23.5 per cent. (2021: 24.2 per cent.).

As previously outlined, the Group’s ability to meet demand was significantly constrained by the widely reported supply chain challenges and component shortages faced and the reported results for FY22 inevitably reflect these difficulties. Despite the significant increase in the Company’s revenue, the gross profit was only in line with 2021 predominantly due to a combination of inflation, high PPV on components due to global shortages and unfavourable currency movements between the US dollars and Pounds Sterling. The majority of goods and services purchased by the Group are in US dollars, with approximately 60 per cent. of the cost of goods for the remainder of the year hedged at a blended exchange rate of £1:US\$1.16 with the Company currently budgeting for a £1:US\$1.24 rate on the balance of the cost of goods. The Company’s hedging policy takes a quarterly layered approach extending out 12 months.

The Group had net debt<sup>5</sup> (before lease obligations) of £4.8 million at 31 December 2022 (2021: net cash (before lease obligations) £0.1 million). During FY22, the Group announced that it had signed an agreement with its bank, HSBC UK Bank plc, for a standby letter of credit facility which is supported by UK Export Finance, up to a combined sum of £3.5 million, for an initial term of 12 months (the “Facility”). The Facility supports the variability of working capital arrangements with certain of the Group’s suppliers, which is driven by longer lead times on components and the Group’s expected growth. The Board believes that the Facility is a prudent measure which will help offset the unpredictability in the Group’s supply chain and input prices. In addition, the Group has recently agreed with its bank the reset of certain covenants under the terms of its wider finance agreements.

The Group utilised £0.6 million of its battery warranty provision (2021: £1.2 million) and the Board expects to utilise a further £0.5 million in FY23 and then continue to reduce to minimal levels by 2026.

#### 6. Information on the Fundraising

Earlier today, the Company announced that it was proposing to raise up to approximately £6.1 million (before expenses) by way of an Open Offer, on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date.

In addition, the Company announced that it had conditionally raised up to approximately £6.1 million<sup>6</sup> (before expenses) by means of the Placing and Subscription with certain existing Shareholders, new investors and the Subscriber of up to 120,711,091 New Ordinary Shares at the Issue Price and up to 60,355,545 Warrants, subject in each case to clawback under the Open Offer. It is anticipated that any scaling back under the Placing and the Subscription to satisfy clawback by Qualifying Shareholders under the Open Offer will be applied *pro rata* to the respective

<sup>3</sup> Adjusted gross profit is stated before non-underlying items, PPV and mark to market (“MTM”) profit or loss on forward contracts

<sup>4</sup> Adjusted gross margin is adjusted gross profit as a percentage of revenue

<sup>5</sup> Net debt is calculated as the net value of cash and cash equivalents, invoice discounting facilities and loans and borrowing

<sup>6</sup> Of this amount, £2.1 million will comprise the release of the Company from its obligations and liabilities to pay the Outstanding Amount under or pursuant to the Supply Agreement.

number of Placing Shares (in aggregate) and Subscription Shares (in aggregate), with the corresponding number of Warrants being scaled back accordingly too. However, the Company (in consultation with Shore Capital) reserves the absolute right to scale back any one or more Placees and the Subscriber on such basis as it sees fit.

The New Ordinary Shares will represent, in aggregate, approximately 40 per cent. of the Enlarged Share Capital.

The Issue Price represents a discount of approximately 25.2 per cent. to the Closing Price of 6.75 pence on the Latest Practicable Date.

The Fundraising is not being underwritten and is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 28 June 2023 (or such later time and/or date, being not later than 12 July 2023, as the Company and Shore Capital may agree).

Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the Fundraising will not proceed and any Open Offer Entitlements admitted to CREST as part of the Open Offer will thereafter be disabled.

Holders of Warrants may exercise the Warrants in the period beginning on the first anniversary of the date of issue of the Warrants and ending on the third anniversary of such date (the “**Final Exercise Date**”) such that no Warrants shall be capable of exercise in the first year following their issue. Warrants shall only be permitted to be exercised during a 42-day window following each of: (i) the first anniversary of the date of issue of the Warrants; and (ii) publication of the Company’s audited final results and unaudited interim results, at an exercise price of three pence (£0.03) per Warrant (each being an “**Exercise Window**”).

Shareholder approval to grant authority to the Directors to allot the New Ordinary Shares was obtained at the 2022 AGM. However, a resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, **there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be issued, although Placees have given certain commitments to vote in favour of the Warrant Resolution at the 2023 AGM.**

Application will be made to the London Stock Exchange for the New Ordinary Shares (but not the Warrants) to be admitted to trading on AIM. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares following Admission. It is expected that such Admission will become effective and that dealings on AIM will commence at 8.00 a.m. on 28 June 2023.

## **7. Use of Net Proceeds**

The Net Proceeds, which are expected to be approximately £5.35 million, will be used:

- to reduce the Group’s net debt to £2.8 million (excluding lease liabilities); and
- for working capital purposes.

## **8. Related Party Transactions**

Client funds of Downing LLP (together, “**Downing LLP**”) have agreed to subscribe for 16,831,680 Placing Shares (in each case subject to clawback under the Open Offer). As at the Latest Practicable Date, so far as the Company is aware, Downing LLP holds 28,479,704 Existing Ordinary Shares representing approximately 15.7 per cent. of the Existing Ordinary Shares. As such, Downing LLP is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company’s nominated adviser, Shore Capital & Corporate, that the terms of Downing LLP’s participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

Discretionary clients of Canaccord Genuity Group Inc. (“**Canaccord Genuity**”) have agreed to subscribe for 13,861,380 Placing Shares (in each case subject to clawback under the Open Offer). As at the Latest Practicable Date, so far as the Company is aware, Canaccord Genuity holds 20,862,500 Existing Ordinary Shares representing approximately 11.5 per cent. of the Existing Ordinary Shares. As such, Canaccord Genuity is a substantial shareholder of the Company and its



participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's nominated adviser, Shore Capital & Corporate, that the terms of Canaccord Genuity's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

Each of Zoe Fox, the Chief Finance Officer, Simon Herrick and Jon Kempster, each a Non-Executive Director, is subscribing £10,000 in the Placing for 198,020 Placing Shares and 99,010 Warrants, on the basis of one Warrant for every two New Ordinary Shares subscribed for by them pursuant to the Placing (in each case subject to clawback under the Open Offer). In addition, Andrew Blazye, the proposed Non-Executive Chair, and Neil Radley, the proposed Chief Executive, are subscribing £0.4 million in the Placing for 7,920,780 Placing Shares and 3,960,390 Warrants and £0.1 million in the Placing for 1,980,180 Placing Shares and 990,090 Warrants respectively (again, in each case subject to clawback under the Open Offer). In addition, Graham Whitworth, a Non-Executive Director, intends to apply for Open Offer Shares and Warrants under the Open Offer to the value of £10,000.

## **9. Details of the Open Offer**

Qualifying Shareholders (other than, subject to certain exemptions, those Shareholders in Restricted Jurisdictions) have the opportunity under the Open Offer to apply for Open Offer Shares at the Issue Price, payable in full on application and free of expenses, and Warrants *pro rata* to their existing shareholdings, on the following basis:

### **2 Open Offer Shares and 1 Warrant for every 3 Existing Ordinary Shares**

held by them and registered in their names on the Record Date, rounded down to the nearest whole number of Open Offer Shares and Warrants. Qualifying Shareholders (other than, subject to certain exemptions, those Shareholders with a registered address in or who are located in and/or resident or are citizens of, in each case, a Restricted Jurisdiction) may apply for any whole number of Open Offer Shares and Warrants up to their Open Offer Entitlement.

**For the avoidance of doubt, no excess application facility is being made available in connection with the Open Offer.**

**The Open Offer is not a rights issue.**

**Qualifying CREST Shareholders should note that although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, they will not be tradable and applications in respect of the Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders who do not apply to take up their Open Offer Entitlements will have no rights under the Open Offer or receive any proceeds from it. Qualifying Shareholders should be aware that under the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders.**

### ***Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders***

Application has been made for the Open Offer Entitlements in respect of Qualifying CREST Shareholders (other than subject to certain exemptions, those Shareholders with a registered address in or who are located and/or resident in or are citizens of, in each case, a Restricted Jurisdiction) to be admitted to CREST. It is expected that such Open Offer Entitlements will be admitted to CREST on 7 June 2023 and Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying Non-CREST Shareholders will receive an Application Form with this document which sets out their entitlement to Open Offer Shares and Warrants as shown by the number of Open Offer Entitlements allocated to them.

If valid applications are made for less than all of the Open Offer Shares and Warrants available, then the lower number of Open Offer Shares and Warrants will be issued and any outstanding Open Offer Entitlements will immediately lapse.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and, for Qualifying Non-CREST Shareholders, on the accompanying Application Form. To be valid, Application Forms or CREST instructions (duly completed) and payment in full for the Open Offer Shares applied for must be received by the Receiving Agent **by no later than 11.00 a.m. on 22 June 2023**. Application Forms should be returned to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by such time.

If Admission does not occur on or before 8.00 a.m. on 28 June 2023 (or such later time and date as the Company and Shore Capital may agree, being not later than 12 July 2023), the Open Offer will not become unconditional and application monies will be returned to applicants, without interest and at their risk, as soon as practicable thereafter.

## 10. Warrants

**A resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be allotted or issued.**

Subject to the Warrant Resolution being passed at the 2023 AGM:

- the Company will issue the Warrants to Qualifying Shareholders under the Open Offer on the basis of one Warrant for every two New Ordinary Shares successfully subscribed for under the Open Offer, and to Placees and the Subscriber on the basis of one Warrant for every two New Ordinary Shares successfully subscribed for under the Placing and the Subscription (as the case may be), provided that any fractional entitlements shall be ignored;
- the Company may issue Warrants over up to 60,355,545 Ordinary Shares under the Fundraising;
- holders of Warrants may exercise the Warrants during each of the following:
  - the 42 day window following the first anniversary of the date of issue of the Warrants; and
  - the 42 day window following publication of the Company's audited final results and unaudited interim results,(an **"Exercise Window"**) at an exercise price of three pence (£0.03) per Warrant. Warrants which are not exercised before the Final Exercise Date shall lapse;
- no exercise of Warrants shall be permitted where such exercise would result in any person or persons holding New Ordinary Shares and/or an interest therein (taken together with shares in which it or any person acting in concert with that person is interested) carrying, in aggregate, 29.99 per cent. or more of the voting rights in the Company;
- the Company expects to despatch definitive certificates in respect of the Warrants within 10 days of their allotment; and
- upon exercise of the Warrants, the resulting Ordinary Shares will be subject to the Articles, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares then in issue, including the right to receive all dividends and other distributions declared, made or paid after their date of issue.

The Warrants will not be listed or admitted to trading on any stock exchange and are not transferable. Warrants will be allotted and issued in certificated form only (even if you hold your Existing Ordinary Shares in uncertificated form).

Further details of the Warrants are set out in Part 5 of this document.

## **11. Overseas Shareholders**

The attention of Qualifying Shareholders who have a registered address outside the United Kingdom, or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraphs 6 and/or 7 of Part 3 of this document.

Persons who have a registered address in or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to acquire or subscribe for any New Ordinary Shares and Warrants. The notice in the London Gazette referred to in paragraph 7 of Part 3 of this document will state where an Application Form may be inspected or obtained. Any person with a registered address in or who are located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction who obtains a copy of this document or an Application Form is required to disregard them, except with the consent of the Company.

This document and any accompanying documents are not being made available to Overseas Shareholders with registered addresses in any Restricted Jurisdiction (subject to limited exceptions) and, subject to certain exceptions, may not be treated as an invitation to subscribe for any New Ordinary Shares and Warrants by any person located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction.

The New Ordinary Shares, the Open Offer Entitlements and the Warrants have not been, and will not be, registered under the applicable securities laws of any Restricted Jurisdiction. Accordingly, subject to certain exceptions, the New Ordinary Shares, the Open Offer Entitlements and the Warrants may not be offered, sold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction to or for the account or benefit of any national, resident or citizen of any Restricted Jurisdiction.

## **12. Dilution resulting from the Fundraising**

Following the issue of New Ordinary Shares, Shareholders who take up their Open Offer Entitlements in full will not suffer any dilution to their interests in the Company as a result of the Fundraising. Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 40.0 per cent. of their interests in the Company calculated on the basis of the maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising.

Assuming all of the 60,355,545 Warrants are issued, Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 50.0 per cent. of their interests in the Company calculated on the basis of the maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising, the maximum number of Warrants are issued and all of those Warrants are exercised in full prior to the Final Exercise Date.

## **13. The City Code**

The City Code applies to quoted public companies which have their registered office in the UK, the Channel Islands or the Isle of Man and, in addition, unquoted public companies which have their registered office in the UK, the Channel Islands, or the Isle of Man and whose central management and control remain in the UK, the Channel Islands or the Isle of Man. Accordingly, the City Code applies to the Company. Under the City Code, if an acquisition of Ordinary Shares or interests therein were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months.

This requirement would also be triggered by any acquisition of New Ordinary Shares and/or interest therein by a person holding (together with its concert parties) Ordinary Shares carrying between

30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition was to increase that person's percentage of the total voting rights of the Company.

#### ***Disclosure requirements of the City Code***

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **14. The Placing and the Subscription**

### ***Placing Agreement***

Under a placing agreement entered into between the Company, Shore Capital & Corporate and Shore Capital Stockbrokers, Shore Capital Stockbrokers has conditionally agreed to act as placing agent to the Company and to use its reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price and Warrants (on the basis of one Warrant for every two Placing Shares subscribed). The Placing Shares and Warrants have been placed with Placees, in each case subject to clawback under the Open Offer. The Placing Agreement sets out the conditions relating to the Placing.

The Placing is conditional upon (amongst other things) the satisfaction of the following conditions:

- (a) Admission taking place no later than 8.00 a.m. on 28 June 2023 (or such later time and/or date as the Company and Shore Capital may agree being no later than 12 July 2023);
- (b) there being no breach of warranty in the Placing Agreement prior to Admission; and

- (c) the performance by the Company of its obligations under the Placing Agreement and/or other terms of or conditions to the Placing prior to Admission; and
- (d) the Subscription Letter remaining in full force and effect, not having lapsed or been terminated or amended in accordance with its terms prior to Admission; (ii) no condition to which the Subscription Letter is subject having become incapable of satisfaction and not having been waived prior to Admission; and (iii) no event having arisen prior to Admission which gives a party thereto a right to terminate the Subscription Letter.

The Placing Agreement contains certain customary warranties from the Company in favour of Shore Capital in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the Company has given certain undertakings to Shore Capital and has agreed to indemnify Shore Capital in relation to certain customary liabilities they may incur in respect of the Fundraising. Shore Capital has the right to terminate the Placing Agreement in certain circumstances prior to Admission including, *inter alia*: (i) for certain force majeure events or other events involving certain material adverse changes or prospective material adverse changes relating to the Group; (ii) in the event of a breach of the warranties or other obligations of the Company set out in the Placing Agreement; or in the event of a breach of the Subscription Letter.

Under the Placing Agreement, the Company has agreed to pay certain fees and commissions to Shore Capital and certain other costs and expenses in connection with the Fundraising and Admission.

#### **Subscription Letter**

Under a subscription letter entered into between the Company and the Subscriber, the Subscriber has conditionally agreed to subscribe for the Subscription Shares at the Issue Price and Warrants (on the basis of one Warrant for every two Subscription Shares subscribed), in each case subject to clawback under the Open Offer.

The Subscription is conditional upon (amongst other things) the satisfaction of the following conditions:

- (a) Admission taking place no later than 8.00 a.m. on 28 June 2023 (or such later time and/or date as the Company and Shore Capital may agree being no later than 12 July 2023); and
- (b) the Placing Agreement becoming or being declared unconditional in all respects and not having been terminated in accordance with its terms.

As at the date of the Subscription Letter, an amount of £2.1 million (the “**Outstanding Amount**”) is owed by the Company to the Subscriber under the terms of a long term purchasing or supply agreement (the “**Supply Agreement**”).

In consideration of the issue by the Company of the Subscription Shares and Warrants, in each case subject to clawback by Qualifying Shareholders under the Open Offer, the Subscriber has agreed to release the Company from all its obligations and liabilities to pay it the Outstanding Amount under or pursuant to the Supply Agreement. To the extent that the number of Subscription Shares to be issued to the Subscriber pursuant to the terms of the Subscription are scaled back (to satisfy valid applications by Qualifying Shareholders under the Open Offer), and the amount of the subscription monies required to be paid by the Subscriber is therefore reduced accordingly, it has been agreed between the Company and the Subscriber that the amount of the Outstanding Amount to be released would be reduced on a pound for pound (£:£) basis to reflect such reduction. In the event that the number of Subscription Shares to be issued to the Subscriber pursuant to the terms of the Subscription are such that the amount of the subscription monies required to be paid by the Subscriber shall exceed the amount of the Outstanding Amount, the Subscriber shall subscribe for such Subscription Shares in cash.

#### **Clawback under the Open Offer**

It is anticipated that any scaling back under the Placing and the Subscription to satisfy clawback by Qualifying Shareholders under the Open Offer will be applied *pro rata* to the respective number of Placing Shares (in aggregate) and Subscription Shares (in aggregate) with the corresponding number of Warrants being scaled back accordingly too. However, the Company (in consultation with

Shore Capital) reserves the absolute right to scale back any one or more Placee and the Subscriber on such basis as it sees fit.

#### **15. Information on the Subscriber**

The Subscriber, who has been a supplier to the Group since 2017, is a high-tech manufacturer who focuses on developing and manufacturing various types of sensor alarms, IOT, security industry application solutions and smart home solutions. Manufacturing is based in Ningbo, China with a building area of 56,000 square meters and a yearly production capacity of over 36 million devices exporting to around 70 countries. The Subscriber also has a large research and development department, including over 150 engineers across four centres, and international sales centres in China and the Netherlands.

#### **16. Directorate changes**

As set out above, earlier today, the Company announced that John Conoley had resigned as a director of the Company and that Andrew Blazye and Neil Radley were proposed to be appointed to the Board as Non-Executive Chair and Chief Executive respectively with effect from 7 June 2023.

Andrew Blazye brings a wealth of experience. He is currently the Executive Chair of Aryza Group Limited, the provider of insolvency and loan management software products to the financial services sectors in the UK, Europe, Canada and Australia. Previously, amongst other roles, Andrew was the Executive Chair of Universe Group plc, an AIM quoted provider of transaction products and services to the retail industry, which was sold in January 2022 to Inform Information Systems Limited for £33.1 million which represented a premium of 129 per cent, to the Universe share price on the business day preceding the announcement of the sale. For more than 12 years, Andrew was a member of the global executive team at FLEETCOR, a US Fortune 500 speciality payments business. As European CEO, he set up the FLEETCOR business in Europe.

Neil Radley has over 20 years' experience in the retail and technology sectors. He was previously the CEO of Universe Group plc, an AIM quoted provider of transaction products and services to the retail industry, which was sold in January 2022 to Inform Information Systems Limited for £33.1 million which represented a premium of 129 per cent, to the Universe share price on the business day preceding the announcement of the sale. Previously, he was Chair and CEO of Jaja Finance Limited, a fintech company providing digital and physical credit cards and other financing services, guiding them through the creation and launch of the UK business. Neil has previously held several senior roles at Barclays Bank in their Barclaycard division and qualified as an accountant with PwC.

In addition to entering into a service agreement with the Company, it has been agreed that Neil Radley shall be eligible to participate in the FireAngel Safety Technology Group 2015 Long-Term Incentive Plan and, on commencement of his employment, will be granted an award with a value of £345,000, being 150 per cent. of his agreed annual salary, with the number of Ordinary Shares to be comprised in such award to be based on the price of an Ordinary Share at close of business on 6 June 2023.

#### **17. Additional information**

Your attention is drawn to the risk factors set out in Part 2 of this document. Shareholders are advised to read the whole of this document and not rely solely on the summary information presented in this letter.

Details of the actions to be taken if you wish to apply for Open Offer Shares and Warrants are provided in paragraph 4 of Part 3 of this document.

Yours faithfully,

**Zoe Fox**

*Chief Finance Officer*

on behalf of the Board

## PART 2

### RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly, prospective investors and Shareholders should carefully consider the risks set out below before making a decision to invest in the Company. The investment offered in this document may not be suitable for all of its recipients. Potential investors and Shareholders are accordingly advised to consult a professional adviser authorised under FSMA, if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser, who specialises in advising on the acquisition of shares and other securities, before making any investment decision. A prospective investor and Shareholders should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

This Part contains what the Directors believe to be the principal risk factors associated with an investment in the Company. However, the risks listed do not purport to be an exhaustive summary of the risks affecting the Group and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

Given the rapidly changing global situation, it is impossible to predict, with any certainty, the continuing impact on the Company's business. As such, this document should be considered against this backdrop and Shareholders should understand that there is a high level of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Fundraising.

If any of the following risks were to materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such cases, the market price of the Ordinary Shares could decline and an investor may lose part or all of his or her investment.

This document contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company which are described below and elsewhere in this document. Prospective investors and Shareholders should carefully consider the other information in this document.

There can be no certainty that the Company will be able to successfully implement its strategy. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Company.

#### Forward-looking statements

This document includes "forward-looking statements" which include all statements other than statements of historical facts including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "plan", "project", "believes", "estimates", "aims", "intends", "can", "may", "expects", "forecasts", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from its future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those implied by any forward-looking statements include *factors* in this Part 2 and elsewhere in this document. These forward-looking statements speak only as at the date of this document. Save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or FSMA), the Company, Shore Capital

and their respective directors, officers, employees, agents, members and partners expressly disclaim any obligation or undertaking to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). As a result of these factors, the events described in the forward-looking statements in this document may not occur. Prospective investors and Shareholders should be aware that these statements are estimates, reflecting only the judgement of the Company's management and prospective investors and Shareholders should not rely on any forward-looking statements.

The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares may not be suitable for all recipients of this document, which should only be made by those with the necessary expertise to fully evaluate such an investment. The Directors believe the following risks should be considered carefully by investors before acquiring Ordinary Shares. Accordingly, prospective investors are advised to consult an independent adviser authorised under FSMA or, if they are a person outside the UK, a person otherwise similarly qualified in their jurisdiction who specialises in advising in investments of this kind before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of their personal circumstances and the financial resources available to him or her. If any of the risks described in this document actually occurs, the Group may not be able to conduct its business as currently planned and its financial condition (including level of indebtedness), operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

### **Risks factors relating to the Company**

#### ***Exchange rate risk***

The Group operates internationally giving rise to exposure from changes in foreign currency exchange rates. The majority of the components used in the manufacture of the Group's products are priced in US dollars. The Group also receives a significant proportion of its revenues in Euros from sales in the EMEA region. Unprecedented levels of uncertainty in global economic markets and, in particular, around the UK's future trading relationship with the rest of the world, has led to a prolonged weakening in the value of Sterling against the US dollar. The Group manages this risk through the matching of foreign currency receipts and payments, where possible, and also through a policy of hedging using forward exchange contracts to guarantee the future exchange rate at which chosen volumes of currency are exchanged. However, if such levels of uncertainty continue and the value of Sterling against the US dollar remains depressed, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

#### ***Cyber and Information Security***

The Group's use of IT exposes it to cyber and information security attacks, which can lead to data breaches and loss of confidential information. This could hinder competitiveness and risks reputational damage and subsequent financial loss for the Group. The Group takes steps in relation to cyber and security attacks, including increased investment in technology and training programmes to highlight cyber security dangers and alertness to potential cyber security attacks. Furthermore, it has Antivirus software with both malware and spyware protection included and has introduced two-factor authentication within the Group.

The continued regulatory focus on this area increases the risk over time, and tenders from potential customers have started to focus on the Group's cyber and information security practices. The Group's desire to refocus on Connected Homes during 2023 may increase its need for compliance. To the extent that the Group is not able to comply with these requirements, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

#### ***Tool and production equipment replacement***

The failure and/or wearing of tools and other production equipment is a risk in any production environment. The Group is aware that key tools which it owns on the production lines at the Company's manufacturing partner's facility in Poland are ageing and increased failures at peak production periods could impact production, especially if multiple failures coincide.



The Company has conducted an assessment of wear and tear and has developed a schedule of tool duplication and replacement across the next 18 months. The costs are expected to be within normal budgeting expectations. However, to the extent that failures occur before completion of the duplication and replacement schedule, or the costs of such replacement exceed management budgets, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Product prices from the Group's primary suppliers may not be able to be reduced***

The relationship with the Group's primary smoke alarm and connected products manufacturer is now well established. Whilst progress has been made in increasing production yield and volumes, there remain challenges in levels of utilisation and efficiency in the manufacturing process which is impacting product costing in the short term. Whilst the Group's supply chain and technical teams are working with its primary manufacturing partner to ensure that efficiency is improved to reduce the future costs of production, and whilst all new products are designed to be manufactured in the most efficient way, if such challenges remain in the longer term, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Competitor risk***

Several home safety product companies are considered to be direct competitors of the Group. These companies vary in the relative strength of their product offering. Over the past year, and with high inflation and weakening in the value of Sterling against the US dollar, the Group has found it necessary to increase its prices, thereby closing the price differentiation the Group had with its competitors. This therefore provides more opportunities for cheaper 'non branded' competitors to supply their products more cheaply which may affect adversely the Group's sales volumes.

The Group monitors competitors' offerings and regularly reviews competitor products and pricing. The Directors are of the opinion that the Group's continued investment in new products and technology provides a barrier to new entrants to the market, and high certification costs act as a significant barrier to entry. Whilst the Group continues to commit significant resources to research and development and to monitor competitor pricing closely, were cheaper competitors able to overcome these barriers, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Staff recruitment and retention risk***

As with most businesses, particularly those operating in a technical field, the Group is dependent on engaging employees with key managerial, engineering and technical skills. The contribution of the Group's dedicated staff and management team has been, and continues to be, critical to the Group's success. Should the Group be unable to attract new employees, or retain existing employees, this could have a material adverse effect on the Group's ability to grow or maintain its business.

The Group's development and prospects are somewhat dependent upon the continued services and performance of its directors, senior management and other key personnel. The loss of the services of any of the directors, senior management or key personnel or a substantial number of talented employees, could cause disruption which could have a material adverse effect on the Group's business, financial condition and results of operations until suitable replacements are found.

***Continued inflation on costs***

With continued uncertainty in the global markets and the highest inflation rates seen in decades, there is a risk that this will continue to increase across all of the Group's input costs. The Group has the ability to adjust selling prices in 2023 should further unexpected inflation begin to affect margins. However, the Company is also considering competitor pricing and the possible effect on volumes should customer prices be increased. The Group continuously reviews contracts and looks for alternative cheaper suppliers where possible. The Group's energy contracts are locked in until the end of 2023 and it will undertake a review of these contracts later this year. In addition, freight costs have been partially locked in until 2024. However, if these challenges continue to persist in the longer term, they may have, individually or collectively, a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Risk of recession***

Global retraction and decline across the territories in which it trades is impacting the Group's sales and profits. The Directors are of the opinion that a proportion of the Group's business is resilient to recession, such as consumer demand driven by legislative requirements, but any recession may drive trade customers to purchase cheaper products. The opportunity for cost savings afforded by the Group's connected solution is expected to become more attractive as non-safety critical budgets tighten, as evidenced by recent UK customer enquiries which the Group has received. In addition, many social housing authorities will have already ringfenced fire safety budgets for the fiscal year which they will be able to utilise in order to replace existing smoke and CO alarms that continue to reach end of life and require replacement. However, if such recessionary challenges remain, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Working capital and liquidity risk***

The Group has been regularly loss making and, among other issues, the exchange rate environment contributed to further pressure on margins in FY22. Towards the end of FY22, the easing of the material component shortages and unfulfilled demand from its customers meant that the Group ordered stocks in order to meet a sales forecast with increased supplies of finished products. The ability to generate sufficient cash in this period of transformation has been challenging due to the Group's poor financial performance while it has maintained regular communication with its suppliers to ensure that it can pay them to agreed terms wherever possible.

The requirement to pay suppliers earlier than anticipated could put short term pressure on the Group's cash flows, lead to the deferral of investment decisions and, in the worst case, have a material adverse effect on the Group's financial condition. The Group maintains regular communications with its suppliers around the size and timing of payment runs and routinely provides updates on its performance as part of scheduled account management meetings. It continues to benefit from a supportive relationship with its bank, with most recently the addition of a £3.5 million stand by letter of credit facility which is helping to address liquidity concerns with suppliers. The Group also funds its working capital in part through an invoice discount facility with the bank, and this availability fluctuates up and down as revenues present themselves. However, were circumstances to change, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Techem project***

As with all projects of this scale, despite the parties' best intentions, there remains a risk that the project is delayed, or that initial forecasts for the rollout of the NGSA to Techem's end customers are not achieved. In addition, the motivation and partnership of the parties, as well as the size of the financial opportunity for each of the parties involved should provide sufficient incentive for them to proceed without delay. However, if any such delays were to materialise or the parties' initial forecasts are not realised, or if the procurement of long lead time components and specialist production equipment does not commence within the timeframe envisaged (thereby leading to further potential delay to the project), these may, individually or collectively, have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

***Inability to multi-source production***

Due to the high complexity and certification requirements of the Group's products, it is not practical to multi-source production across a number of suppliers. This weakens the Group's negotiating position with its existing suppliers and increases the concentration risk associated with a sole source of supply. Although the Group is addressing this in the future through modularity of product design, there is a heightened risk in the short term of supply disruption and higher prices with single-source supplier relationships.

***Product warranty risk***

Despite best efforts to produce products with zero defects, from time to time the Group will experience product warranty issues. For instance, products are designed to 'fail safe' so that if they are not working, they are designed to alert the user that they require attention. Whilst the Group seeks to ensure that products manufactured by its suppliers comply with the relevant product specifications which are approved by various test houses and regulatory bodies, product liability

claims are inherent in the development and manufacture of the Group's products and future products. The Group maintains product recall insurance to mitigate the costs of a domestic or international recall.

In addition to maintaining insurance coverage, the Group may be able to make a claim for breach of warranty against its supplier in the event of a claim being made against the Group where a product is not compliant. Where it becomes clear that there are issues with batches of a certain product, the Group makes specific provision to cover 100 per cent. of the estimated warranty costs of providing free of charge replacements. Product returns in each market are managed by the Group's in-house technical support team which records all product warranty by the manufacture date.

However, if the Group is not able to claim for breach of warranty against its supplier, or have recourse to its product recall insurance, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group. In addition, any product liability claim brought against the Group, with or without merit, could result in an increase in the cost of such insurance or the inability to secure coverage in the future, or in fact be outside the scope of coverage offered by such insurance. There can be no assurance that a product liability or other claim, whether successful or not, would not materially and/or adversely affect the Group's operating results, business, financial condition and prospects of the Group. Defending any such claim may also be costly and may involve a significant commitment of resources and management time.

### ***Changing trends in the marketplace***

The introduction of Connected Home products and solutions with individuals and companies seeking to connect and monitor products in the home via the internet could potentially reduce the popularity of the Group's standalone safety product range. The Group is selling its own Connected Home solutions products and is continuing its investment in technology and products which connect to the internet. The Group continues to invest in product technology to reduce the cost of Connected Home solutions and to ensure that they are products of choice for its customers. However, there is a risk that this does not keep ahead of, or even remain in line with, the offering of the Group's competitors.

It is possible that new products and technologies may emerge in future as more viable alternatives to the Group's products. The Group dedicates significant resources to product research and development to keep it and its products at the forefront of technology. Precise demand forecasting is relatively short term in this market and so the Group seeks to stay abreast of emerging market trends to position itself to exploit and commercialise such technologies as they appear. The Group regularly reviews other technologies to ensure that it has the right technology and engineering capability in-house.

However, there can be no guarantee that new products, modifications or services will be successfully developed or, if developed, successfully sold to customers which may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

### ***Intellectual property risk***

Many of the Group's products are protected by intellectual property rights and the market can be characterised as having relatively high barriers to entry in this regard. Before introducing new products, the Group carefully checks that it is not infringing the patented technology of third parties. Potentially, third parties could seek to copy or find a workaround to the Group's registered technology.

The Group's principal protection in the market lies in its business model rather than through any specific intellectual property rights. The breadth of the Group's product range and its ability to add new products and leverage its brands across the markets it serves represents a significant barrier to entry to competitors.

Notwithstanding this, any failure to protect or successfully defend the Group's intellectual property may result in another party copying or otherwise obtaining and using its proprietary technology or other intellectual property without authorisation. There may not be adequate protection for the intellectual property in every country in which the Group's products are sold and policing unauthorised use of proprietary information is difficult and expensive. The Group cannot guarantee

that it will be able to detect and prevent infringement of its intellectual property, but would rigorously defend its intellectual property if it believed it was being infringed.

Any misappropriation of the Group's intellectual property could have a material adverse impact on the Group's business, financial condition, operating results and prospects. Furthermore, the Group may need to take legal action to enforce its intellectual property, protect trade secrets or determine the validity or scope of the proprietary rights of others which may result in substantial costs and the diversion of resources and management attention and there can be no guarantee as to the outcome of any such litigation.

The Group is not aware of any third party that has any claim over the intellectual property of the Group. However, if it was proven that part of the Group's intellectual property was in fact owned by a third party, this could lead to the removal of certain functionality from the Group's products or for certain products to be removed from the market altogether. Any legal action resulting from such claims would likely be time-consuming and expensive. In either case, the Group's business, financial condition, operating results and prospects may be materially and adversely affected.

#### ***International trade regulations***

The Group's activities involve the import and export of products. Any changes in the regulations covering such movements might impact the Group's trading activities. Increasing geographical reach and continual expansion of the Group's customer base, particularly into Continental Europe, exposes it to a potentially wider set of regulatory restrictions. If the Group is unable to comply with, or react quickly enough to, any new regulation introduced, or changes made to existing regulations, it may lose customers, find it more difficult to win new customers or, in the worst case, lose the ability to distribute products into certain jurisdictions resulting in lost sales and profits.

#### ***Health and safety risk***

As the Group's product range expands, the risk of non-compliance with health and safety regulations increases. The Group places the greatest importance on maintaining the highest standards of health and safety compliance. Additional processes and actions are being undertaken to ensure this happens. The Group's procedures comply with the requirements of ISO audits and detailed records are maintained to ensure that products are correctly stored and disposed of. However, to the extent that the Group is found not to be in compliance with such regulations, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

#### ***Risks factors relating to the Fundraising***

##### ***Warrants***

A resolution to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be allotted or issued.

##### ***Dilution***

Shareholders may experience dilution in their proportionate ownership and voting interest in the Company as a result of the Fundraising and the exercise of the Warrants. Subject to certain exceptions, Shareholders in Restricted Jurisdictions will not be able to participate in the Open Offer and/or may otherwise need to observe applicable legal requirements or other formalities to enable them to apply for Open Offer Shares and Warrants and to receive and exercise any Warrants.

##### ***Valuation of shares***

The Issue Price has been determined by the Company and may not relate to the Company's net asset value, net worth or any established criteria or value. There can be no guarantee that the Ordinary Shares will be able to achieve higher valuations or, if they do so, that such higher valuations can be maintained.

##### ***Volatility of share price***

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and

recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition, operating results or prospects. The trading price of the Ordinary Shares might also decline in reaction to events that affect other companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

#### ***Market perception***

Market perception of the Company may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds by the issue of further Ordinary Shares or otherwise.

#### **General investment risks**

##### ***Investment risk and AIM***

The Existing Ordinary Shares are, and the New Ordinary Shares will be, admitted to trading on AIM rather than the Official List. The rules of AIM are less demanding than those of the Official List and an investment in shares quoted on AIM may carry a higher risk than an investment in shares on the Official List. AIM has been in existence since June 1995, but its future success and liquidity in the market for the Company's securities cannot be guaranteed. Investors should be aware that the value of the Existing Ordinary Shares and the New Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment. The market price of the Existing Ordinary Shares and the New Ordinary Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. On any disposal, investors may realise less than the original amount invested.

##### ***Legislation and tax***

This document has been prepared on the basis of current legislation, rules and practice and the advisers' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any changes in legislation, and, in particular, any changes to the basis of taxation, tax relief and rates of tax, may affect the availability of the relief.

**Investors should consider carefully whether an investment in the Company is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.**

**This list should not be considered an exhaustive statement of all potential risks and uncertainties.**

## PART 3

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. Introduction

As explained in Part 1 of this document, the Company proposes to issue up to 120,711,091 Open Offer Shares at the Issue Price and up to 60,355,545 Warrants to subscribe for one Ordinary Share, on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date, in order to raise up to approximately £6.1 million (before expenses).

The Open Offer is an opportunity for Qualifying Shareholders (other than, subject to certain exemptions, those Shareholders in Restricted Jurisdictions) to apply to subscribe for Open Offer Shares at the Issue Price and Warrants in accordance with the terms of the Open Offer.

There will be no more than 120,711,091 Open Offer Shares and 60,355,545 Warrants issued under the Open Offer.

Holders of Warrants may exercise the Warrants during an Exercise Window at an exercise price of three pence (£0.03) per Warrant. Warrants which are not exercised before the Final Exercise Date shall lapse. Further details of the Warrants are set out in Part 5 of this document.

The Open Offer Shares to be issued pursuant to the Open Offer will, following Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares and Subscription Shares (if any) to be issued pursuant to the Placing and the Subscription, and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 6 June 2023, when the Existing Ordinary Shares were marked “ex-entitlement” to the Open Offer, is advised to consult their stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares and Warrants under the Open Offer may be a benefit which may be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares and Warrants subscribed for will be allotted in any event (subject to the terms and conditions set out in this document (including, in the case of the Warrants, the passing of the Warrant Resolution) and the Application Form). Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares and Warrants will be issued to Qualifying Shareholders who have applied for Open Offer Shares and Warrants (subject to the terms and conditions set out in this document and the Application Form).

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Qualifying Non-CREST Shareholders, the Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of this Part 3 which gives details of the procedure for application for the Open Offer Shares and Warrants (and, in the case of the Open Offer Shares, payment for them). The attention of Overseas Shareholders is drawn to paragraphs 6 and 7 of this Part 3.

#### 2. The Open Offer

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity to apply for up to their Open Offer Entitlement at the Issue Price (payable in full on application and free of all expenses) and will have an Open Offer Entitlement of:

##### **2 Open Offer Shares and 1 Warrant for every 3 Existing Ordinary Shares**

registered in the name of each Qualifying Shareholder on the Record Date. Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares and Warrants will be disregarded in calculating Open Offer Entitlements. Qualifying Shareholders with fewer than 3 Existing Ordinary Shares will not be able to apply for Open Offer Shares and Warrants. Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish.

Please note that holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Open Offer Entitlements, as will holdings under different designations and in different accounts.

Qualifying CREST Shareholders will have their Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraphs 4.2(a) to 4.2(j) of this Part 3 and also to the CREST Manual for further information on the relevant CREST procedures.

Qualifying Shareholders may apply for any whole number of Open Offer Shares and Warrants up to their Open Offer Entitlement. The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 4A and Warrants shown in Box 4B, in each case on the Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The maximum aggregate number of Open Offer Shares and Warrants available for subscription pursuant to the Open Offer is 120,711,091 Open Offer Shares and 60,355,545 Warrants.

Qualifying Shareholders should note that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their Application Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares and Warrants not applied for by Qualifying Shareholders under their Open Offer Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer. Qualifying Shareholders who do not apply to take up Open Offer Shares and Warrants will have no rights under the Open Offer.

The Open Offer is being made and communicated to Qualifying Shareholders pursuant to section 561 and section 562 of the Act. The Open Offer will be made to Qualifying Shareholders outside the United Kingdom or an EEA State by means of a notice in the London Gazette, details of which are provided in paragraph 7 of this Part 3.

Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 6 June 2023 (being the date the Existing Ordinary Shares were marked "ex-entitlement" to the Open Offer) is advised to consult their stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares and Warrants under the Open Offer may be a benefit which may be claimed from them by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST. No application for admission to CREST will be made in respect of the Warrants.

Application will be made for the Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Open Offer Entitlements are expected to be admitted to CREST with effect from 7 June 2023.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares and the Subscription Shares (if any). The Open Offer Shares and Warrants are not being made available in whole or in part to the public except under the terms of the Open Offer. The Warrants will only be allotted if, amongst other things, the Warrant Resolution is passed. If the Warrant Resolution Condition is not satisfied, and

you have been issued Open Offer Shares, you cannot rescind the application for the Open Offer Shares even though no Warrants would then be issued to you.

### **Warrants to subscribe for Ordinary Shares**

**Shareholder approval to grant the Directors the authority to allot the Warrants will be sought at the 2023 AGM and as a consequence, there can be no guarantee that the Warrants and/or the Ordinary Shares which may be issued upon the exercise of the Warrants will be issued.**

Subject to the Warrant Resolution being passed at the 2023 AGM:

- holders of Warrants may exercise the Warrants during an Exercise Window at an exercise price of three pence (£0.03) per Warrant. Warrants which are not exercised before the Final Exercise Date shall lapse;
- no exercise of Warrants shall be permitted where such exercise would result in any person or persons holding New Ordinary Shares and/or an interest therein (taken together with shares in which it or any person acting in concert with that person is interested) carrying, in aggregate, 29.99 per cent. or more of the voting rights in the Company;
- upon exercise of the Warrants, the resulting Ordinary Shares will be subject to the Articles, be credited as fully paid and will rank *pari passu* in all respects with the then issued Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after their date of issue; and
- the Company expects to despatch definitive certificates in respect of the Warrants within 10 days of their allotment.

The Warrants will not be listed or admitted to trading on any stock exchange. Warrants will be allotted and issued in certificated form only (even if you hold your Existing Ordinary Shares in uncertificated form). Further details of the Warrants are set out in Part 5 of this document.

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

The Open Offer is conditional, *inter alia*, upon Admission becoming effective by not later than 8.00 a.m. on 28 June 2023 (or such later time and/or date as may be agreed between the Company and Shore Capital, but being no later than 8.00 a.m. on 12 July 2023).

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 28 June 2023 (or such later time and/or date as may be agreed between the Company and Shore Capital, but being no later than 8.00 a.m. on 12 July 2023), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

In addition, the offer of the Warrants (but not the Open Offer Shares) under the Open Offer is also conditional upon the Warrant Resolution Condition. **Accordingly, if the Warrant Resolution Condition is not satisfied, no Warrants will be issued, but this shall be without prejudice to the allotment of Open Offer Shares that may have taken place. Accordingly, Qualifying Shareholders could be allotted Open Offer Shares but no Warrants. There can be no guarantee that the Warrant Resolution Condition will be passed.**

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form no later than 12 July 2023 (see paragraph 2 above as to definitive certificates in respect of Warrants). In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 28 June 2023, but Warrants can only be held in certificated form.

Application will be made for the Open Offer Shares (but not the Warrants) to be admitted to trading on AIM. Admission is expected to occur on 28 June 2023, when dealings in the Open Offer Shares are expected to begin.



All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a non-interest-bearing client bank account.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

#### **4. Procedure for application and payment**

The action to be taken by Qualifying Shareholders in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has an Application Form in respect of their Open Offer Entitlement or a Qualifying Shareholder has Open Offer Entitlements credited to their CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form (that is, not in CREST) will be allotted Open Offer Shares and Warrants in certificated form. Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form (that is, in CREST) will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form (but the Warrants to which they are entitled will be allotted in certificated form). However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(e) of this Part 3.

CREST Sponsored Members should refer to their CREST Sponsor, as only their CREST Sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST Members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to take up or apply for the Open Offer Shares and Warrants under the Open Offer should take no action and should not complete or return the Application Form.

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

###### *(a) General*

Subject as provided in paragraphs 6 and 7 of this Part 3 in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the number of Open Offer Shares and Warrants which represents their Open Offer Entitlement under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them set out in Box 4A (showing Open Offer Shares) and Box 4B (showing Warrants). Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Open Offer Entitlement in full should complete Boxes 6A and 6B (the number in Box 6B must be one half (rounded down) of that in Box 6A) and 7 and then sign where indicated in Box 2 or in Box 9 (as applicable). Any fractional entitlements to Open Offer Shares and Warrants will be disregarded in calculating Qualifying Non-CREST Shareholders' Open Offer Entitlements. Any Qualifying Non-CREST Shareholders with fewer than 3 Existing Ordinary Shares will not receive an Open Offer Entitlement. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares and Warrants representing less than their Open Offer Entitlement may do so by completing Boxes 6A, 6B and 7 of the Application Form and then sign where indicated in Box 2 or in Box 9 (as applicable). Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 4.1(b) of this Part 3).

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer to Qualifying Non-CREST Shareholders.

###### *(b) Bona fide market claims*

Applications to acquire Open Offer Shares and Warrants may only be made on the Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person

entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex-entitlement” to participate in the Open Offer. Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 20 June 2023. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex-entitlement” to participate in the Open Offer, should consult their broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares and Warrants under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Application Form and as soon as possible send it to either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2(b) of this Part 3.

*(c) Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares and Warrants to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply-paid envelope or returned by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent **by no later than 11.00 a.m. on 22 June 2023**, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

Application Forms delivered by hand will not be checked upon delivery and no receipt will be provided.

Completed Application Forms should be returned with a cheque drawn in sterling on a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through facilities provided by any of those companies or committees. Such cheques must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on the application.

Cheques should be drawn on a personal account in respect of which the Qualifying Shareholder has sole or joint title to the funds and should be made payable to “Neville Registrars Limited Re: clients account” and crossed “A/C Payee Only”. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by completing the account name on the back of the cheque or draft and adding the branch stamp) will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Cheques will be presented for payment on receipt and it is a term of the Open Offer that cheques will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in a non-interest bearing client bank account until all conditions are met. If the Open Offer does not become unconditional (other than in respect of the Warrant Resolution Condition), no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer. If the Warrant Resolution Condition is not satisfied, no

Warrants will be issued (but this is without prejudice to any Open Offer Shares that have already been allotted and paid for).

The Company may in its sole discretion, but shall not be obliged to, treat an Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Application Forms received after 11.00 a.m. on 22 June 2023; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 22 June 2023 from authorised persons (as defined in FSMA) specifying the Open Offer Shares and Warrants applied for and undertaking to lodge the Application Form in due course but, in any event, within two Business Days.

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

If Open Offer Shares and, if applicable at the time, Warrants have already been allotted and issued to a Qualifying Non-CREST Shareholder and such Qualifying Non-CREST Shareholder's cheque is not honoured upon first presentation or such Qualifying Non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and, if applicable, Warrants and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither the Receiving Agent, the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

*(d) Effect of application*

By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company that they have the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares and Warrants or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company that in making the application they are not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all information in relation to the Group contained in this document;
- (iv) confirms to the Company that in making the application they are not relying and have not relied on Shore Capital or any other person affiliated with Shore Capital in connection with any investigation of the accuracy of any information contained in this document or their investment decision;
- (v) confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares or Warrants (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company or Shore Capital;

- (vi) represents and warrants to the Company that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that they received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) represents and warrants to the Company that if they received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (viii) requests that the Open Offer Shares and Warrants to which they will become entitled be issued to them on the terms set out in this document and the Application Form, subject to the articles of association of the Company;
- (ix) represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the making of the offer to them and/or the application for Open Offer Shares and Warrants is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares and/or Warrants which are the subject of their application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the making of the offer to them and/or the application for Open Offer Shares and Warrants is prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Company is able to make and they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares and Warrants under the Open Offer;
- (x) confirms that the Open Offer Shares and Warrants have not been offered to the applicant by the Company, Shore Capital or any of their affiliates (as defined in Rule 501(b) of the US Securities Act), by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act; and
- (xi) represents and warrants to the Company that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

For all enquiries in connection with the procedure for application and completion of the Application Form, please contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares and Warrants under the Open Offer should take no action and should not complete or return the Application Form.

#### **4.2 If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer**

##### **(a) General**

Subject as provided in paragraphs 6 and 7 of this Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to their stock account in CREST in respect of their Open Offer Entitlement.

Any fractional entitlements to Open Offer Shares and Warrants will be disregarded in calculating Qualifying Shareholders' Open Offer Entitlements. Any Qualifying CREST Shareholders with fewer than 3 Existing Ordinary Shares will not receive an Open Offer Entitlement.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlement has been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 11.00 a.m. on 7 June 2023, or such later time and/or date as may be specified by the Company, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to their stock account in CREST. In these circumstances, the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

Qualifying CREST Shareholders who wish to apply to acquire some or all of their entitlements to Open Offer Shares and Warrants should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

*(b) Bona fide market claims*

The Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN number. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

*(c) USE instructions*

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

- (i) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(c)(i) above.

Qualifying Shareholders who hold all or part of their Existing Ordinary Shares in uncertificated form (that is, in CREST) will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form (but the Warrants to which they are entitled will be allotted in certificated form).

Subject to satisfaction of the Warrant Resolution Condition, the Company shall allot and issue the Warrants in certificated form only and the Company expects to dispatch definitive certificates in respect of the Warrants within 10 days of their allotment.

*(d) Content of USE instruction in respect of Open Offer Entitlements*

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

- (i) the number of Open Offer Shares and Warrants for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);

- (ii) the ISIN of the Open Offer Entitlement. This is GB00BN7K3M60;
- (iii) the CREST participant ID of the accepting CREST Member;
- (iv) the CREST Member account ID of the accepting CREST Member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Neville Registrars Limited in its capacity as Receiving Agent. This is **7RA11**;
- (vi) the member account ID of Neville Registrars Limited in its capacity as Receiving Agent. This is **BASIC**;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 22 June 2023; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 22 June 2023.

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

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

CREST Members and, in the case of CREST Sponsored Members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 22 June 2023 in order to be valid is 11.00 a.m. on that day.

In the event that Admission does not occur by 8.00 a.m. on 28 June 2023 (or such later time and/or date as may be agreed between the Company and Shore Capital Stockbrokers, but being no later than 8.00 a.m. on 12 July 2023), the Open Offer will lapse and the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

*(e) Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in their Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer can be applied for through an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 22 June 2023.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 19 June 2023 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on

16 June 2023, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements, as the case may be, prior to 11.00 a.m. on 22 June 2023.

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST Member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing the entitlements under the Open Offer into CREST" on page 3 of the Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST Member(s) that it is/they are not citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the making of the offer to them and/or the application for Open Offer Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST Member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

*(f) Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 22 June 2023 will constitute a valid application under the Open Offer.

*(g) CREST procedures and timings*

CREST Members and (where applicable) their CREST Sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Sponsored Member, to procure that their CREST Sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 22 June 2023. In this connection CREST Members and (where applicable) their CREST Sponsors are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

*(h) Incorrect or incomplete applications*

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

- (i) to reject the application in full and refund the payment to the CREST Member in question, without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares (and corresponding number of Warrants) as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST Member in question, without payment of interest; and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares (and corresponding number of Warrants) referred to in the USE instruction, refunding any unutilised sum to the CREST Member in question, without payment of interest.

*(i) Effect of valid application*

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

- (i) represents and warrants to the Company that they have the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform their obligations, under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares and Warrants or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees with the Company to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST Member to pay to the Company the amount payable on application);
- (iii) agrees with the Company that all applications under the Open Offer and Warrants and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company that in making the application they are is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all the information in relation to the Group contained in this document;
- (v) confirms to the Company that in making the application they are not relying and have not relied on Shore Capital or any other person affiliated with Shore Capital in connection with any investigation of the accuracy of any information contained in this document or their investment decision;
- (vi) confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares or the Warrants (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company;
- (vii) represents and warrants to the Company that they are the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that they have received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (viii) represents and warrants to the Company that if they have received some or all of their Open Offer Entitlements from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (ix) requests that the Open Offer Shares and Warrants to which they will become entitled be issued to them on the terms set out in this document and subject to the articles of association of the Company;
- (x) represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which making of the offer to them and/or the application for Open Offer Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares and Warrants which are the subject of their application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the making of the offer to them and/or the application for Open Offer Shares and Warrants is prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Company is able to make and they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares and Warrants under the Open Offer;
- (xi) confirms that the Open Offer Shares and Warrants have not been offered to the applicant by the Company, Shore Capital or any of their affiliates (as defined in Rule 501(b) of the US Securities Act), by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act; and



(xii) represents and warrants to the Company that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

*(j) Company's discretion as to the rejection and validity of applications*

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST Member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 3;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST Member or (where applicable) a CREST Sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST Member or CREST Sponsored Member or (where applicable) a CREST Sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST Member or CREST Sponsored Member or (where applicable) CREST Sponsor, the CREST Member or CREST Sponsored Member is unable validly to apply for Open Offer Shares (and corresponding number of Warrants) by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

## **5. Money Laundering Regulations**

### **5.1 Holders of Application Forms**

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "**verification of identity requirements**"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "**acceptor**"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares and Warrants as is referred to therein (for the purposes of this paragraph 5, the "**relevant Open Offer Shares and Warrants**") and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares and Warrants (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to the Receiving Agent and the Company from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the EU Council Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (no. 2015/859/EU)); or
- (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers their application in person) makes payment by way of a cheque drawn on an account in the applicant's name.

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque in sterling drawn on a branch in the UK of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, should be made payable to "Neville Registrars Limited: Re clients account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only" in each case. Third party cheques may not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the Application Form; or
- (b) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in paragraph 5.1(i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the members of which are Argentina, Australia, Austria, Belgium, Brazil, Canada, China, Denmark, Finland, France, Germany, Greece, the Gulf Co-operation Council (the members of which are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, India, Ireland, Israel, Italy, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Portugal, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States), the agent should provide with the Application Form, written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD.

To confirm the acceptability of any written assurance referred to in paragraph 5.1(b) above, or in any other case, the acceptor should contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales.

Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 22 June 2023, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to

undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **5.2 Open Offer Entitlements in CREST**

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

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

## **6. Overseas Shareholders**

The making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 General**

The distribution of this document and the Application Form and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in or located in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares and Warrants under the Open Offer.

No action has been or will be taken by the Company, Shore Capital or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or application forms) relating to the Open Offer Shares or the Warrants) in any jurisdiction where action for that purpose may be required, other than in the UK.

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

Due to restrictions under the securities laws of the Restricted Jurisdictions, Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, Qualifying Shareholders with a registered address in or who are located and/or resident in or are citizens of, in each case, a Restricted Jurisdiction or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action and/or the making of the offer to such persons would not result in the contravention by the relevant Qualifying Shareholder, the Company, the Receiving Agent, Shore Capital or otherwise of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to them, nor should they in any event use any such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to them and such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention by them, the Company, the Receiving Agent, Shore Capital or otherwise of any registration or other legal or regulatory requirements.

It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares and Warrants under the Open Offer to satisfy themselves as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

Neither the Company nor Shore Capital (nor any of their respective affiliates or representatives) is making any representation to any offeree or purchaser of Open Offer Shares and Warrants regarding the legality of an investment in the Open Offer Shares and Warrants by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by their custodian, agent, nominee or trustee, they must not seek to apply for Open Offer Shares and Warrants unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 and specifically the contents of this paragraph 6.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares and Warrants that appears to the Company or its agents to have been executed, effected or dispatched by a Qualifying Shareholder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST Member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to this paragraph 6, particularly paragraphs 6.2 to 6.8, and paragraph 7 of this part 3.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction to apply for Open Offer Shares and Warrants if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares and Warrants should note that payment must be made in sterling denominated cheques or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Qualifying Shareholders with a registered address in or who are located and/or resident in or are citizens of, in each case, a Restricted Jurisdiction will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements. Please see paragraph 7 of this Part 3.

The Open Offer Shares, the Open Offer Entitlements and the Warrants have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption.

No public offer of Open Offer Shares, Open Offer Entitlements or Warrants is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction subject to certain exceptions. Receipt of this document and/or an Application Form and/or a credit of an Open Offer Entitlement to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed subject to certain exceptions.

## **6.2 United States**

The Open Offer Shares, the Open Offer Entitlements and the Warrants have not been, and will not be, registered under the US Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly the Open Offer Shares, the Open Offer Entitlements and the Warrants may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and the securities laws of any relevant state or other jurisdiction of the United States. There is no intention to register any portion of the Fundraising in the United States or to conduct a public offering of securities in the United States or elsewhere.

This document is intended for use only in connection with offers of Open Offer Shares and Warrants outside the United States and neither this document nor any Application Form is to be sent or given to any person within the United States subject to certain exemptions. The Open Offer Shares and Warrants offered hereby are not being registered under the US Securities Act, for the purposes of sales outside of the United States.

This document may not be transmitted in or into the United States and may not be used to make offers or sales to US holders of Existing Ordinary Shares subject to certain exemptions.

The Open Offer will be made to Shareholders outside the United Kingdom or an EEA State by means of a notice in the London Gazette, details of which are provided in paragraph 7 of this Part 3. The Open Offer Shares and the Warrants will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the US Securities Act.

Each person to which the Open Offer Shares and the Warrants are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares and Warrants to have represented to and agreed with the Company and Shore Capital on its behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares and Warrants, as the case may be, that:

- (i) it is acquiring the Open Offer Shares and the Warrants from the Company in an “offshore transaction” as defined in Regulation S under the US Securities Act; and
- (ii) the Open Offer Shares and the Warrants have not been offered to it by the Company, Shore Capital or any of their affiliates (as defined in Rule 501(b) of the US Securities Act) by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act.

Each subscriber acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber by its subscription for the Open Offer

Shares and Warrants is no longer accurate, it shall promptly notify the Company. If such subscriber is subscribing for the Open Offer Shares and Warrants as a fiduciary or agent for one or more investor accounts, each subscriber represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Each subscriber acknowledges that it will not resell the Open Offer Shares or the Warrants without registration or an available exemption or safe harbour from registration under the US Securities Act.

### **6.3 Canada**

This document is not, and is not to be construed as, a prospectus, an advertisement or a public offering of these securities in Canada subject to certain exemptions. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Open Offer Shares or the Warrants, and any representation to the contrary is an offence.

In addition, the relevant exemptions have not been obtained from the appropriate provincial authorities in Canada. Accordingly, the Open Offer Shares and the Warrants are not being offered for subscription by persons resident in Canada or any territory or possessions thereof subject to certain exemptions. Applications from any Canadian Person who appears to be or whom the Company has reason to believe to be so resident or the agent of any person so resident will be deemed to be invalid subject to certain exemptions. Subject to certain exceptions, neither this document nor an Application Form will be sent to and no Open Offer Entitlements will be credited to a stock account in CREST of any Shareholder whose registered address is in Canada. If any Application Form is received by any Shareholder whose registered address is elsewhere but who is, in fact, a Canadian Person or the agent of a Canadian Person so resident, subject to certain exceptions, he or she should not apply under the Open Offer.

For the purposes of this paragraph 6.3, "Canadian Person" means a citizen or resident of Canada, including the estate of any such person or any corporation, partnership or other entity created or organised under the laws of Canada or any political sub-division thereof.

### **6.4 Australia**

Neither this document nor the Application Form has been lodged with, or registered by, the Australian Securities and Investments Commission. A person may not: (a) directly or indirectly offer for subscription or purchase or issue an invitation to subscribe for or buy or sell, the Open Offer Shares or the Warrants; or (b) distribute any draft or definitive document in relation to any such offer, invitation or sale, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia but not including a permanent establishment of such a corporation or entity located outside Australia). Accordingly, neither this document nor any Application Form will be issued to, and no Open Offer Entitlements will be credited to a CREST stock account of, Shareholders in the Company with registered addresses in, or to residents of, Australia.

### **6.5 Other Restricted Jurisdictions**

The Open Offer Shares and the Warrants have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction except pursuant to an applicable exemption.

No offer of Open Offer Shares or Warrants is being made by virtue of this document or the Application Form into any Restricted Jurisdiction except pursuant to an applicable exemption.

### **6.6 Other overseas territories**

The Open Offer will be made to Shareholders outside the United Kingdom or an EEA State by means of a notice in the London Gazette, details of which are provided in paragraph 7 of this Part 3. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in or located in, or citizens of, countries other than the UK should consult appropriate

professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares and Warrants.

Save as described in this document, Application Forms will be posted to Qualifying Non-CREST Shareholders and Open Offer Entitlements will be credited to the CREST stock accounts of Qualifying CREST Shareholders. Save as described in this document, no offer of or invitation to acquire New Ordinary Shares is being made by virtue of this document or the Application Form into any Restricted Jurisdictions. Overseas Shareholders in jurisdictions other than the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, accept their entitlements under the Open Offer in accordance with the instructions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form.

Shareholders who have a registered address in or who are located and/or resident in or are citizens of, in each case, a Restricted Jurisdiction should consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements. If you are in any doubt as to your eligibility (and/or whether you may need to observe any formalities to enable you to take up your Open Offer Entitlement) to accept the offer of Open Offer Shares and Warrants, you should contact your appropriate professional adviser immediately.

### **6.7 Representations and warranties relating particularly to Overseas Shareholders**

#### **(a) Qualifying Non-CREST Shareholders**

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares and Warrants comprised therein represents and warrants to the Company and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that the making of the offer to them and such person's acceptance thereof and such person's use of the Application Form will not result in the contravention by them, the Company, the Receiving Agent, Shore Capital or otherwise of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares or Warrants from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or Warrants or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares and Warrants with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares and Warrants into any of the above territories.

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

- (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or
- (ii) provides an address in a Restricted Jurisdiction for delivery of the share or warrant certificates of Open Offer Shares or Warrants (respectively) (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or
- (iii) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).

#### **(b) Qualifying CREST Shareholders**

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with the procedures set out in this Part 3 represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that the making of the offer to them and such person's acceptance will not result in the contravention by them, the Company, the Receiving Agent, Shore Capital or otherwise of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or Warrants; (iii) it is not accepting on a non-discretionary basis for a person located within any

Restricted Jurisdiction or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) neither it nor its client is acquiring any Open Offer Shares or Warrants with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares or Warrants into any of the above territories.

### **6.8 Waiver**

The provisions of this paragraph 6 and paragraph 7 of this Part 3 and of any other terms of the Open Offer including those relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of paragraphs 6 and 7 of this Part 3 supersede any terms of the Open Offer inconsistent herewith. References in paragraphs 6 and 7 of this Part 3 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of paragraphs 6 and 7 of this Part 3 shall apply to them jointly and to each of them.

### **7. Notice in the London Gazette**

In accordance with section 562(3) of the Companies Act, the offer to Qualifying Shareholders who have no registered address in the United Kingdom or in an EEA State and who have not given to the Company an address in the United Kingdom or an EEA State for the service of notices, will (subject to the conditions of the Open Offer) be made by the Company causing a notice to be published in the London Gazette on 6 June 2023 stating where copies of this document and the Application Form may be obtained or inspected on personal application by or on behalf of such Qualifying Shareholders. Any person with a registered address, or who is resident or located, in the United States or any of the Restricted Jurisdictions or any other jurisdictions where the extension and availability of the Open Offer would breach any applicable law who obtains a copy of this document or an Application Form is required to disregard them, except with the consent of the Company.

However, in order to facilitate acceptance of the offer made to such Qualifying Shareholders by virtue of such publication, Application Forms will also be posted to Overseas Shareholders who are Qualifying Non-CREST Shareholders with certain exceptions. Such Shareholders, if it is lawful to do so, may accept the offer either by returning the Application Form posted to them or subject to surrendering the original Application Form sent to them by obtaining a copy thereof from the place stated in the notice and returning it in accordance with the instructions set out therein. Similarly, Open Offer Entitlements are expected to be credited to stock accounts in CREST of Qualifying CREST Shareholders who are Overseas Shareholders (within certain exceptions).

Qualifying Shareholders may be able to participate in the Open Offer if they satisfy themselves that, and in the case of a Qualifying Shareholder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction or any other jurisdictions where the extension and availability of the Open Offer would breach any applicable law, and they are able to prove to the Company or its agents that, the making, receipt, or acceptance, of the Open Offer in such jurisdiction will not breach local securities laws. If a Qualifying Shareholder with a registered address in, or located or resident in, the United States or any other Restricted Jurisdiction can prove this to the satisfaction of the Company and its agents, then the Company at its absolute discretion may arrange for them to be sent an Application Form whether they are a Qualifying Non-CREST Shareholder or Qualifying CREST Shareholder.

### **8. No withdrawal rights**

An application under the Open Offer once made is irrevocable and cannot be withdrawn or changed.

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

The result of the Open Offer is expected to be announced on 23 June 2023. Application will be made to AIM for admission to trading of the Open Offer Shares (but not the Warrants). It is expected that, subject to the Open Offer becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 28 June 2023.



The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such New Ordinary Shares, when issued and fully paid, may be held and transferred by means of CREST. The Warrants are not admitted to CREST and no application for admission to CREST in respect of the Warrants will be made.

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 22 June 2023 (being the latest date for receipt of completed applications under the Open Offer). If the conditions to the Open Offer described above are satisfied (other than the Warrant Resolution Condition), the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On or around 27 June 2023, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be on 28 June 2023). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST Member account IDs in respect of which the USE instruction was given.

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

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by no later than 12 July 2023. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 of this Part 3, and the Application Form.

Subject to satisfaction of the Warrant Resolution Condition, the Company shall allot and issue the Warrants in certificated form only and the Company expects to dispatch definitive certificates in respect of the Warrants within 10 days of their allotment.

## **10. Times and dates**

The Company shall, in its discretion, and after consultation with its financial and legal advisers, be entitled to amend the dates on which Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall make an announcement on a Regulatory Information Service.

## **11. Governing law and jurisdiction**

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

**12. Further Information**

Your attention is drawn to the further information set out in this document and in the cases of the Qualifying Non-CREST Shareholders to the terms, conditions, and other information printed on any Application Form.

## PART 4

### QUESTIONS AND ANSWERS ABOUT THE FUNDRAISING

The questions and answers set out in this Part 4 are intended to be in general terms only and, as such, you should read Part 3 of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Fundraising and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraphs 6 and 7 of Part 3 of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read paragraph 4 of Part 3 of this document for full details of what action you should take.

If you are a CREST Sponsored Member, you should also consult your CREST Sponsor. If you do not know whether your Existing Ordinary Shares are in certificated or uncertificated form, please contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday, excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult their own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

#### 1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance, Qualifying Shareholders will **not** be offered the opportunity to apply for additional New Ordinary Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. In an open offer the issue price is normally at a discount to the market price of the existing ordinary shares prior to the announcement of the open offer.

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire (i) up to an aggregate of 120,711,091 Open Offer Shares at a price of 5.05 pence per share and (ii) up to an aggregate of 60,355,545 Warrants. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares and Warrants under the Open Offer.

The Open Offer is being made on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares and Warrants is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share or be allotted a fraction of a Warrant and your entitlement will be rounded down to the nearest whole number. The Issue Price of 5.05 pence per Open Offer Share represents a discount of approximately 25.2 per cent. to the Closing Price of 6.75 pence on the Latest Practicable Date.

Holders of Warrants may exercise the Warrants during an Exercise Window at an exercise price of three pence (£0.03) per Warrant. Warrants which are not exercised before the Final Exercise Date shall lapse.

No exercise of Warrants shall be permitted where such exercise would result in any person or persons holding New Ordinary Shares and/or an interest therein (taken together with shares in which it or any person acting in concert with that person is interested) carrying, in aggregate, 29.99 per cent. or more of the voting rights in the Company

The Warrants will not be listed or admitted to trading on any stock exchange.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they, nor Open Offer Entitlements, can themselves be traded. The Open Offer will be made to Shareholders outside the United Kingdom or an EEA State by means of a notice in the London Gazette, details of which are provided in paragraph 7 of Part 3 of this document.

**2. I hold my Existing Ordinary Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction or any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares and Warrants and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 6 June 2023 (the time when the Existing Ordinary Shares were marked “ex-entitlement” by the London Stock Exchange).

**3. I hold my Existing Ordinary Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in or are located and/or resident in or a citizen of, in each case, a Restricted Jurisdiction or any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares and Warrants, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at 6.00 p.m. on the Record Date;
- how many Open Offer Shares and Warrants are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in or are located and/or resident in or a citizen of, in each case, a Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares and Warrants comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, or by hand (during normal office hours only) so as to be received by them **by no later than 11.00 a.m. on 22 June 2023**, after which time Application Forms will not be valid.

**4. I hold my Existing Ordinary Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

**(a) If you do not want to take up your Open Offer Entitlement**

If you do not want to take up any of the Open Offer Shares and Warrants to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares or Warrants. You will also not receive any money if the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form applying for the Open Offer Shares and Warrants to which you are entitled **by 11.00 a.m. on 22 June 2023**, then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be diluted.

**(b) If you want to take up some but not all of your Open Offer Entitlement**

If you want to take up some, but not all, of the Open Offer Shares and Warrants to which you are entitled, you should write the number of Open Offer Shares and Warrants you want to take up in Box 6A and Box 6B of your Application Form; for example, if you are entitled to take up 51 shares but you only want to take up 25 shares, then you should write '25' in Box 6A. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '25') by 5.05 pence, which is the price in Pounds Sterling of each Open Offer Share (giving you an amount of £1.26 in this example). You should write this amount in Box 7, rounding up to the nearest whole penny and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received by them **by no later than 11.00 a.m. on 22 June 2023** after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in Pounds Sterling and made by cheque made payable to "Neville Registrars Limited Re: clients account". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4 of Part 3 of this document).

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents and cheques sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

Subject to Admission of the Open Offer Shares, a definitive share certificate will be sent to you for the Open Offer Shares that you validly take up. In addition, you will also receive a definitive warrant certificate for the Warrants issued to you. Your definitive share certificate for Open Offer Shares are expected to be despatched to you **by no later than 12 July 2023**. The Company expects to dispatch definitive certificates in respect of the Warrants within 10 days of their issue.

**(c) If you want to take up all of your Open Offer Entitlement**

If you want to take up all of the Open Offer Shares and Warrants to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque for the amount (as indicated in Box 5 of your Application Form), by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or by hand (during normal office hours only) to Neville Registrars

Limited, Neville House, Steelpark Road, Halesowen B62 8HD, so as to be received by them **by no later than 11.00 a.m. on 22 June 2023**, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in Pounds Sterling and made by cheque made payable to “Neville Registrars Limited Re: clients account”. Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands or Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant’s name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

Subject to Admission of the Open Offer Shares, a definitive share certificate will be sent to you for the Open Offer Shares that you validly take up. In addition, you will also receive a definitive warrant certificate for the Warrants issued to you. Your definitive share certificate for Open Offer Shares are expected to be despatched to you by no later than 12 July 2023. The Company expects to dispatch definitive certificates in respect of the Warrants within 10 days of their issue.

**(d) If you want to apply for more than your Open Offer Entitlement**

Qualifying Shareholders will **not** be offered the opportunity to apply for additional New Ordinary Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. As such, you will not be able to apply for more than your Open Offer Entitlement.

**5. I hold my Existing Ordinary Shares in uncertificated form in CREST. What do I need to do in relation to the Open Offer?**

CREST Members should follow the instructions set out in Part 3 of this document. Persons who hold Existing Ordinary Shares through a CREST Member should be informed by the CREST Member through which they hold their Existing Ordinary Shares of their entitlement to apply for Open Offer Shares and Warrants under the Open Offer, and should contact them should they not receive this information.

Warrants will be allotted and issued in certificated form only (even if you hold your Existing Ordinary Shares in uncertificated form).

**6. I acquired my Existing Ordinary Shares prior to the Record Date and hold my Existing Ordinary Shares in certificated form. What do I do if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you may not be eligible to participate in the Open Offer and/or you may need to observe any formalities to enable you to apply for Open Offer Shares and Warrants. Some Qualifying Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at 6.00 p.m. on 5 June 2023 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 6.00 p.m. on 5 June 2023 but were not registered as the holders of those shares at 6.00 p.m. on 5 June 2023; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday, excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

**7. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Non-CREST Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of *bona fide* market claims only). Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares and Warrants for which an application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

**8. What if I change my mind?**

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares and Warrants for which you have applied, except in the very limited circumstances which are set out in this document.

**9. What if the number of Open Offer Shares and Warrants to which I am entitled is not a whole number: am I entitled to fractions of Open Offer Shares and Warrants?**

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and a Warrant and your entitlement will be rounded down to the nearest whole number.

**10. I hold my Existing Ordinary Shares in certificated form. What should I do if I have sold some or all of my Existing Ordinary Shares?**

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before 5 June 2023, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sold any of your Existing Ordinary Shares on or after 5 June 2023 but before 22 June 2023, you may still be able to take up and apply for the Open Offer Shares and Warrants as set out on your Application Form.

**11. I hold my Existing Ordinary Shares in certificated form. How do I pay?**

Completed Application Forms should be returned with a cheque drawn in the appropriate form. All payments must be in Pounds Sterling and made by cheque made payable to "Neville Registrars Limited Re: clients account". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands or Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted, with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

**12. Will the Existing Ordinary Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares and Warrants to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced (if you are not participating in the Placing).

**13. I hold my Existing Ordinary Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form, together with the monies in the appropriate form, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares and Warrants then you need take no further action.

**14. I hold my Existing Ordinary Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

The Receiving Agent must receive the Application Form **by no later than 11.00 a.m. on 22 June 2023**, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

**15. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Non-CREST Shareholder, but are a CREST Member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application Form), and ensure it is delivered to the CREST Courier and Sorting Service in accordance with the instructions in the Application Form. CREST Sponsored Members should arrange for their CREST Sponsors to do this.

**16. I hold my Existing Ordinary Shares in certificated form. When will I receive my new share certificate and my new warrant certificate?**

It is expected that the Receiving Agent will post all new share certificates with respect to Open Offer Shares by 12 July 2023. The Company expects to despatch definitive certificates in respect of the Warrants within 10 days of their allotment.

**17. If I buy Existing Ordinary Shares after the Record Date, will I be eligible to participate in the Open Offer?**

If you bought your Existing Ordinary Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

**18. Will I be taxed if I take up my entitlements?**

Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

**19. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares and Warrants and receive corresponding Warrants may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in or residents of the United States or any other Restricted Jurisdiction may, subject to certain exceptions, not be eligible to



participate in the Open Offer and/or may need to observe certain formalities to enable you to take up your Open Offer Entitlement. Your attention is drawn to the information in paragraphs 6 and 7 of Part 3 of this document.

**20. Can I apply just for Warrants under the Open Offer or just for Open Offer Shares?**

The Open Offer is being made on the basis of two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held on the Record Date. Accordingly, Shareholders making an application will be applying for Open Offer Shares and Warrants (in a proportion of two for one) and Shareholders are not able to de-couple them. In addition, please see question 21 below.

**21. Are there circumstances in which I could be issued Open Offer Shares but no Warrants?**

Yes, if the Warrant Resolution Condition is not satisfied, but the Open Offer Shares have been admitted to trading on AIM, you will not be issued any Warrants (and you cannot rescind the application for the Open Offer Shares).

**22. Further assistance**

Should you require further assistance, please contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday, excluding public holidays in England and Wales.

**The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.**

## PART 5

### SUMMARY OF THE WARRANTS

The following is a summary of the terms of the Warrants constituted by the Warrant Instrument entered into by the Company on 5 June 2023 but subject to the passing of the Warrant Resolution.

#### 1. Basis of Issue of Warrants

The Company is making an offer to allot two Open Offer Shares and one Warrant for every three Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. In addition, and subject to the relevant conditions being satisfied or waived (if capable of waiver) the Company will issue Warrants to Placees and the Subscriber on the basis of one Warrant for every two New Ordinary Shares successfully subscribed for under the Placing and the Subscription (as the case may be), and not clawed back under the Open Offer.

The Warrants will only be capable of being issued if Shareholder approval has been received for the Warrant Resolution at the 2023 AGM (requiring the passing of an ordinary resolution).

#### 2. Subscription Rights

The Warrants will entitle the holder the right to subscribe for one Ordinary Share conferred by one Warrant.

#### 3. Exercise Price

Three pence (£0.03) per Warrant.

#### 4. Exercise Period

The Warrants shall be exercisable as set out below in the period beginning on 30 June 2024 and ending on the second anniversary of such date (being the Final Exercise Date) (the “**Exercise Period**”) such that no Warrants shall be capable of exercise in the first year following their issue.

During the Exercise Period, Warrants shall only be permitted to be exercised during a 42 day window following:

- (a) the start of the Exercise Period; and
- (b) publication of each of the Company’s (i) audited final results and (ii) unaudited interim results (each being an Exercise Window).

#### 5. Transfer

Non-transferable.

#### 6. Exercise of Warrants

In order for any registered holder of a Warrant (or Warrants) (a “**Warrantholder**”) to exercise their rights to subscribe for Ordinary Shares conferred by the Warrants (“**Subscription Rights**”), the Warrantholder must deliver (i) the certificate(s) relating to the Warrants; and (ii) a duly completed and signed notice of exercise (the “**Exercise Notice**”) to the Registrars during an Exercise Window (and by no later than 5.00 pm on the last Business Day of such Exercise Window).

Following receipt by the Company of the Exercise Notice, the Registrars shall within two Business Days provide the exercising Warrantholder with written notice of (a) the Company’s bank account details (together with any wire instructions) and (b) who to make any cheque payable to so that the exercising Warrantholder can make payment of the aggregate Exercise Price for the Warrants in respect of which the Subscription Rights are exercised.

Ordinary Shares to be issued pursuant to the exercise of Subscription Rights will be allotted and issued not later than 14 days after due completion and delivery of the relevant Notice of Exercise (such date being the “**Settlement Date**”) provided always that the Warrantholder shall have (i) duly completed and delivered the relevant Exercise Notice and (ii) duly made payment in cleared funds of the aggregate Exercise Price, following which either:

- certificates in respect of such new Ordinary Shares will be issued free of charge at such time in the name of the relevant Warranholder no later than 14 calendar days after the Settlement Date; or
- if the relevant Warranholder so elects in the Exercise Notice, and provided the Company is participating in CREST or another electronic or book-entry delivery system in respect of the Ordinary Shares at such time, upon the request of the Warranholder, such aggregate number of Ordinary Shares to which the Warranholder is entitled, shall be credited to the Warranholder's or its designee's CREST stock account in each case no later than the Settlement Date.

Ordinary Shares allotted pursuant to exercise of the Subscription Rights will rank for all dividends or the distributions declared after the date of allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such allotment.

If the Warranholder elects to exercise the Warrants into Ordinary Shares and the Ordinary Shares are traded on AIM (or if not AIM, another internationally recognised regularly operating and regulated stock exchange), the Company shall, not later than two Business Days after the issue of the Ordinary Shares arising on exercise of the Subscription Rights by any Warranholder, apply to the London Stock Exchange for the admission to trading on AIM (or, if the Ordinary Shares are traded on another internationally recognised regularly operating and regulated stock exchange, to such other applicable body or authority in relation to that other internationally recognised, regularly operating and regulated stock exchange) of such Ordinary Shares and shall use all reasonable endeavours to secure such admission, permission or quotation.

#### **7. Restriction on exercise of Warrants**

A Warranholder shall not be permitted to exercise its Warrants if the exercise of its Subscription Rights would result in the Warranholder acquiring an interest in Ordinary Shares which (taken together with shares in which it or any person acting in concert with that person is interested) carry 29.99 per cent. or more of the voting rights of the Company.

#### **8. Undertakings of the Company**

Unless otherwise authorised by an Extraordinary Resolution (as defined below), whilst any Warrant remains exercisable, the Company covenants and undertakes that it shall:

- upon the exercise of the Subscription Rights by any Warranholder, allot and issue to the person exercising such rights the relevant number of Ordinary Shares (as may be specified in the relevant Exercise Notice);
- not take any action which would result in any adjustment to the Exercise Price if, after giving effect thereto, the Exercise Price would, but for the proviso that the Exercise Price shall not be reduced below the nominal value of the Ordinary Shares, be decreased to such an extent that Ordinary Shares to be issued on exercise of Warrants would fall to be issued below their nominal value or otherwise could not, under any applicable law then in effect, be legally issued as fully paid;
- upon becoming aware that a Change of Control has occurred or is proposed or reasonably likely to occur, give written notice to all Warranholders of such actual or proposed or likely Change of Control within five Business Days of it becoming so aware (provided that such information has been publicly announced);
- ensure that the Warrants issued are, and any Warrants issued in substitution for or replacement of such Warrants, will upon issuance be, duly authorised and validly issued by it;
- ensure that all Ordinary Shares which may be allotted and issued upon the exercise of the Warrants pursuant to the Warrant Instrument will, upon issuance, be validly issued, free and clear of all encumbrances (including any rights of pre-emption) fully paid and shall rank *pari passu* with its fully paid Ordinary Shares then in issue;

- comply with the terms of the Warrant Instrument which shall be binding on the Company and the Warrantheolders (who shall be deemed to have notice of such terms) and all persons claiming through or under them respectively, and without limitation shall give effect to the Subscription Rights in accordance with the terms of the Warrant Instrument;
- obtain all necessary approvals and/or authorisations of the shareholders of the Company and of any other competent body in accordance with the Articles (each as amended from time to time) or otherwise to give full effect to the Warrants and this instrument including that:
  - the Directors have been duly and properly authorised to execute the Warrant Instrument;
  - the Directors have been or will (prior to the relevant allotment and issue) duly and properly authorised in accordance with sections 549 to 551 (inclusive) of the Act (as applicable) to allot and issue the: (i) Warrants; and (ii) the Ordinary Shares issued to a Warrantheolder in connection with the exercise of any of the Warrants, in accordance with the terms of the Warrant Instrument and, pursuant to that authorisation, the Directors are authorised to allot and issue the Ordinary Shares whenever the Subscription Rights are exercised; and
  - there is, and at all relevant times will be, a sufficient number of authorised but unissued Ordinary Shares, free from pre-emption rights or otherwise reserved for issue and allotment (including, under share option schemes or other similar arrangements), to enable the Company to satisfy in full all outstanding Subscription Rights without further consent or approval from any person or persons;
- shall not modify the rights attaching to any Ordinary Shares in any way or to create any new class of shares in a manner which, in the reasonable opinion of the Directors, has at the relevant time a material adverse effect on the rights of the Warrantheolders (as a whole); and
- shall not alter or amend the Articles in any way manner which, in the reasonable opinion of the Directors, adversely affects the rights of the Warrantheolders (as a whole).

#### **9. Adjustment of Subscription Rights**

Forthwith upon any issue of shares of whatever class or other security of the Company to Shareholders by way of capitalisation of reserves (other than a capitalisation issue in lieu of a cash dividend where the value of the shares issued in lieu of the cash dividend is equal to the amount of the dividend foregone) or upon any subdivision or consolidation of the Ordinary Shares or upon any reduction of the share capital of the Company on a date (or by reference to a date) on or before the Final Exercise Date the number and/or nominal value of Ordinary Shares to be subscribed on any subsequent exercise of the Warrants (including any part of the Warrant exercised but in respect of which Ordinary Shares have not yet been allotted) will be increased or, as the case may be, reduced in due proportion (fractions being ignored) and the Exercise Price will be adjusted accordingly so as to maintain the same cost of exercising the Subscription Rights, with effect from the record date of such subdivision or consolidation, but so that no adjustment to the Exercise Price shall be such that it would thereby be reduced to a price per Ordinary Share below the nominal value of each Ordinary Share.

#### **10. Takeover Offer / Scheme of Arrangement**

The Company shall not recommend (i) an offer made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror(s) and/or any associate (as defined in Section 988(1) of the Companies Act 2006) of the offeror(s)), to acquire all or a majority of the issued ordinary share capital of the Company (an “Offer”) or (ii) a scheme of arrangement or analogous proceeding with regard to such acquisition which if it becomes effective will result in a right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company becoming unconditionally vested in the offeror(s) or such person, as the case may be and/or any associate (as defined in Section 988(1) of the Companies Act 2006) of the offeror(s) or such person, as the case may be (a “Scheme”) unless the offeror makes an appropriate offer or proposal to the Warrantheolders to ensure that their interests are safeguarded and for these purposes the Company shall procure that all forms of consideration offered to Shareholders in the Offer or the Scheme shall be extended to Warrantheolders.

Any Warrants which are not exercised while the Offer remains open for acceptance or before the Scheme becomes effective (as the case may be) shall lapse and shall not thereafter be capable of being exercised.

#### **11. Meetings of Warranholders**

Any meetings of Warranholders to be convened to consider and vote upon a proposed resolution to be passed by way of Extraordinary Resolution (as defined below) shall be convened and held in accordance with the provisions of the Warrant Instrument.

#### **12. Extraordinary Resolution**

The expression "Extraordinary Resolution" means each of:

- a resolution proposed at a separate meeting of the Warranholders duly convened and held in accordance with the provisions of the Warrant Instrument and passed by a majority consisting of not less than 75 per cent. of the votes cast on a poll; and
- a resolution in writing (which may be in one or more counterparts) signed by Warranholders holding not less than 75 per cent. of the Warrants then outstanding.

#### **13. Modifications to the Warrant Instrument**

Any modification to the Warrant Instrument (including the conditions thereto) may be effected only by deed poll, executed by the Company and expressed to be supplemental thereto and, save in the case of a modification which does not alter or abrogate all or any rights attaching to the Warrants, only if it shall first have been sanctioned by an Extraordinary Resolution.

#### **14. Availability of the Warrant Instrument**

Every Warranholder shall be entitled to inspect a copy of the Warrant Instrument at the registered office of the Company during normal business hours (Saturdays, Sundays and public holidays in the United Kingdom excepted) and shall be entitled to receive a copy of the Warrant Instrument against payment of such charges as the directors of the Company may impose in their absolute discretion.

## DEFINITIONS

The following definitions apply throughout this document and the Application Form unless the context requires otherwise:

<b>“2022 AGM”</b>	the Company's 2022 annual general meeting which was held on 21 June 2022
<b>“2023 AGM”</b>	the Company's 2023 annual general meeting which is expected to be held at 11.00 am on 30 June 2023, notice of which is expected to be sent to Shareholders on or around 6 June 2023
<b>“Admission”</b>	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>“AIM”</b>	AIM, a market operated by the London Stock Exchange
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time)
<b>“AIM Rules for Nominated Advisers”</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange (as amended from time to time)
<b>“Application Form”</b>	the personalised application form accompanying this document on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares and Warrants under the Open Offer
<b>“Board” or “Directors”</b>	the directors of the Company whose names are set out on page 7 of this document
<b>“Business Day”</b>	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
<b>“certificated” or “in certificated form”</b>	a share or other security not held in uncertificated form (that is, not in CREST)
<b>“Change of Control”</b>	a Change of Control shall occur if, at any time after the date of the Warrant Instrument an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror(s) and/or any associate (as defined in section 988(1) of the Companies Act) of the offeror(s)), to acquire all or a majority of the issued ordinary share capital of the Company or if any person proposes a scheme of arrangement under Part 26 of the Companies Act or analogous proceeding with regard to such acquisition and (such offer or scheme of arrangement or analogous proceeding having become or been declared unconditional in all respects or having become effective) the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become unconditionally vested in the offeror(s) or such person, as the case may be and/or any associate (as defined in section 988(1) of the Companies Act) of the offeror(s) or such person, as the case may be
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Closing Price”</b>	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
<b>“Companies Act” or the “Act”</b>	Companies Act 2006 (as amended)
<b>“Company” or “FireAngel”</b>	FireAngel Safety Technology Group Plc, a public limited company incorporated in England and Wales with company number 03991353

<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
<b>“CREST Courier and Sorting Service”</b>	the CREST Courier and Sorting Service which manages the movement of share certificates and other documents between CREST counters and registrars where shares are being deposited into or withdrawn from CREST
<b>“CREST Manual”</b>	the rules governing the operation of CREST, as published by Euroclear
<b>“CREST Member”</b>	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations)
<b>“CREST Participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
<b>“CREST payment”</b>	shall have the meaning in the CREST Manual
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
<b>“CREST Sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor
<b>“CREST Sponsored Member”</b>	a CREST Member admitted to CREST as a sponsored member
<b>“DC”</b>	the Delivery Contract between Techem and the Company
<b>“EEA”</b>	the European Economic Area first established by the agreement signed at Oporto on 2 May 1992
<b>“EEA State”</b>	a state which is a contracting party to the agreement on the EEA signed at Oporto on 2 May 1992, as it has effect for the time being
<b>“EMEA”</b>	Europe, the Middle East and Africa
<b>“Enlarged Share Capital”</b>	the total number of issued Ordinary Shares on completion of the Fundraising following the issue of the New Ordinary Shares, and assuming that all of the New Ordinary Shares (but no others, including any Ordinary Shares falling to be allotted on the exercise of Warrants) are issued
<b>“Estimated Expenses”</b>	the estimated expenses incurred in connection with the Fundraising, being £0.75 million, assuming all New Ordinary Shares are issued
<b>“Euroclear”</b>	Euroclear UK & International Limited, the operator of CREST
<b>“Euros” or “€”</b>	the single European currency unit
<b>“EUWA”</b>	the European Union (Withdrawal) Act 2018
<b>“Exercise Notice”</b>	a notice of exercise to be delivered by a Warrantholder to the Company in connection with the exercise of their Subscription Rights
<b>“Exercise Price”</b>	three pence (£0.03) per Ordinary Share allotted on the exercise of a Warrant, as adjusted from time to time in accordance with the terms of the Warrant Instrument (provided that it shall never be less than the nominal value of each Ordinary Share)
<b>“Exercise Window”</b>	each of the following: <ul style="list-style-type: none"> <li>(i) the 42 day window following the first anniversary of the date of issue of the Warrants; and</li> <li>(ii) the 42 day window following publication of the Company's audited final results and unaudited interim results</li> </ul>

“Existing Ordinary Shares”	the issued share capital of the Company as at the Latest Practicable Date, being 181,066,637 Ordinary Shares
“Extraordinary Resolution”	as defined within paragraph 12 of Part 5 of this document
“FCA”	the United Kingdom Financial Conduct Authority
“Final Exercise Date”	the third anniversary of the date of issue of the Warrants
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the Open Offer, the Placing and the Subscription
“FY17”	the Company’s financial year ended on 31 December 2017
“FY22”	the Company’s financial year ended on 31 December 2022
“FY23”	the Company’s financial year ending on 31 December 2023
“Gross Proceeds”	the proceeds from the issue of the New Ordinary Shares prior to the deduction of the Estimated Expenses, being £6.1 million
“Group”	the Company and its subsidiaries from time to time
“IoT”	Internet of things
“Issue Price”	5.05 pence per New Ordinary Share
“Latest Practicable Date”	5 June 2023
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (as amended)
“Net Proceeds”	the estimated net proceeds from the issue of the New Ordinary Shares after the deduction of the Estimated Expenses from the Gross Proceeds
“New Ordinary Shares”	the Ordinary Shares to be issued in connection with the Fundraising (excluding any Ordinary Shares which might be issued on the exercise of the Warrants), being up to 120,711,091 new Ordinary Shares
“NGSA”	New Generation Smoke Alarm
“Official List”	the official list maintained by the FCA
“Open Offer”	the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price and the Warrants on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form
“Open Offer Entitlement(s)”	the <i>pro rata</i> entitlement of Qualifying Shareholders to subscribe for two Open Offer Shares and one Warrant for every three Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer
“Open Offer Shares”	up to 120,711,091 New Ordinary Shares for which Qualifying Shareholders are being invited to apply, to be issued pursuant to the terms of the Open Offer
“Ordinary Shares”	the ordinary shares of two pence each in the capital of the Company and “ <b>Ordinary Share</b> ” shall be construed accordingly
“Outstanding Amount”	as defined within paragraph 14 of Part 1 of this document
“Overseas Shareholders”	Shareholders with a registered address in or who are located and/or resident in or are a citizen of, in each case, a Restricted Jurisdiction



<b>“Panel” or “Takeover Panel”</b>	the Panel on Takeovers and Mergers
<b>“Participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant
<b>“PFSA”</b>	the Production Framework and Supply Agreement between Techem, the Company’s long standing manufacturing partner, and the Company
<b>“Placee”</b>	any person that has conditionally agreed to subscribe for Placing Shares and Warrants, subject to clawback by Qualifying Shareholders under the Open Offer, pursuant to the Placing
<b>“Placing”</b>	the conditional placing, subject to clawback by Qualifying Shareholders under the Open Offer, of the Placing Shares and Warrants by the Company announced on 6 June 2023
<b>“Placing Agreement”</b>	the placing agreement dated 5 June 2023 entered into between the Company, Shore Capital & Corporate and Shore Capital Stockbrokers relating to the Placing
<b>“Placing Shares”</b>	up to 65,388,660 New Ordinary Shares which are the subject of the Placing
<b>“PPV”</b>	Purchase Price Variance
<b>“Prospectus Regulation”</b>	in relation to each EEA State, Regulation (EU) 2017/1129 and, in relation to the United Kingdom, Regulation (EU) 2017/1129 (as it forms part of UK domestic law by virtue of the EUWA) (as the context requires)
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules published by the FCA under section 73A of FSMA
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at the Record Date
<b>“Qualifying Non-CREST Shareholders”</b>	Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date
<b>“Qualifying Shareholders”</b>	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date
<b>“Record Date”</b>	6.00 p.m. on 5 June 2023
<b>“Registrars” or “Receiving Agent”</b>	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
<b>“Restricted Jurisdiction”</b>	each and any of the United States, Australia, Canada, Japan, the Republic of South Africa and New Zealand
<b>“RIS” or “Regulatory Information Service”</b>	a Regulatory Information Service within the meaning given in the AIM Rules
<b>“Securities Act”</b>	the US Securities Act of 1933 (as amended)
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“Shore Capital”</b>	Shore Capital & Corporate and/or Shore Capital Stockbrokers, as appropriate
<b>“Shore Capital &amp; Corporate”</b>	Shore Capital and Corporate Limited and, where the context allows, its affiliates, the Company’s nominated adviser, which is incorporated as a private limited company in England and Wales with company number 02083043
<b>“Shore Capital Stockbrokers”</b>	Shore Capital Stockbrokers Limited and, where the context allows, its affiliates, acting as the Company’s broker, which is incorporated as a private limited company in England and Wales with company number 01850105

<b>“Subscriber”</b>	Ningbo Siterwell Electronic Import & Export Co. Ltd, which has conditionally agreed to subscribe for Subscription Shares and Warrants, subject to clawback by Qualifying Shareholders under the Open Offer, pursuant to the Subscription
<b>“Subscription”</b>	the conditional subscription, subject to clawback by Qualifying Shareholders under the Open Offer, by the Subscriber for the Subscription Shares and Warrants pursuant to the terms of the Subscription Letter announced on 6 June 2023
<b>“Subscription Letter”</b>	the letter agreement dated 5 June 2023 between the Company and the Subscriber relating to the Subscription Shares and Warrants
<b>“Subscription Rights”</b>	the right to subscribe for Ordinary Shares conferred by the Warrants
<b>“Subscription Shares”</b>	up to 55,322,431 New Ordinary Shares which are the subject of the Subscription
<b>“Supply Agreement”</b>	as defined within paragraph 14 of Part 1 of this document
<b>“Techem”</b>	Techem Energy Services GmbH
<b>“uncertificated” or “in uncertificated form”</b>	a shareholding which is recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<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
<b>“US dollars” or “US\$”</b>	the lawful currency of the United States
<b>“USE”</b>	an unmatched stock event
<b>“Warrant Instrument”</b>	the warrant instrument dated 5 June 2023 made by the Company (subject to the Warrant Resolution being duly passed) constituting the Warrants
<b>“Warrant Resolution”</b>	the ordinary resolution in the agreed form of holders of Ordinary Shares to authorise the directors of the Company to allot the Warrants as contemplated by the Fundraising
<b>“Warrant Resolution Condition”</b>	the passing of the Warrant Resolution at the 2023 AGM
<b>“Warrantholder”</b>	a registered holder for the time being of a Warrant or Warrants
<b>“Warrants”</b>	warrants, subject to the Warrant Resolution being duly passed, to subscribe for Ordinary Shares pursuant to the terms and conditions of the Warrant Instrument for which Qualifying Shareholders are being invited to apply, to be issued pursuant to the terms of the Open Offer, and which are also the subject to the Placing and the Subscription (subject to clawback by Qualifying Shareholders under the Open Offer)
<b>“£”, “Pounds Sterling”, “sterling”, “Pence” or “pence”</b>	the lawful currency of the United Kingdom

