

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended). The whole of the text of this document should be read.

If you have sold or transferred all of your ordinary shares in the capital of the Company (“**Ordinary Shares**”), prior to the ex-entitlement date for the Open Offer, send this document 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. If you have sold or transferred only part of your holding of Ordinary Shares you should retain these documents.

Applications will be made for the Placing Shares, Subscription Shares and Open Offer Shares to be admitted to trading on the AIM Market operated by London Stock Exchange Plc (“**AIM**”). It is expected that admission to AIM will become effective and that dealings in the First Placing Shares and, the Subscription Shares will commence on 20 September 2023. It is expected that admission to AIM will become effective and that dealings in the Second Placing Shares and the Open Offer Shares will commence on 29 September 2023. AIM is a market designed primarily for emerging and 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. 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, consulting with an independent financial adviser. Neither the London Stock Exchange Plc nor the FCA has examined or approved the contents of this document.

The Company and the Directors, whose names are set out on page 9, accept responsibility (both individually and collectively) for the information set out in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Grafenia plc

(incorporated in England and Wales with registered number 03983312)

Placing and Subscription of 270,588,228 new Ordinary Shares at 8.5 pence per share Open Offer of up to 57,245,414 new Ordinary Shares at 8.5 pence per share and Notice of General Meeting

A notice convening a General Meeting of the Company to be held at the offices of Gateley Plc, Ship Canal House, 98 King Street, Manchester M2 4WU on 15 September 2023 at 10 a.m. is set out on pages 50 to 52 of this document. You will find instructions regarding voting electronically and how to register to do so in note 5 on page 51 of this Circular. You may alternatively request a hard copy Form of Proxy directly from our Registrar, Link. Details of how to do this can also be found in note 5.3 on page 52 of this Circular. **To be valid, your electronic proxy vote or the Form of Proxy must be completed and returned so as to be received at the offices of the Company’s registrars, PXS1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL not later than 10 a.m. on 13 September 2023.**

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairperson of the Company which is set out in Part I of this Circular.

Your attention is also drawn to Part II of this Circular entitled “Risk Factors”.

This document does not constitute an offer of securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

Allenby Capital Limited (“**Allenby**”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no-one else in connection with the proposed Placing, Subscription and Open Offer and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Allenby, nor for providing advice in relation to the proposed Placing, Subscription and Open Offer. Allenby will not regard any other person as their customer nor be responsible to any other person for providing the protections afforded to customers of Allenby nor for providing advice in relation to the transactions detailed in this document or in relation to such proposals generally. Allenby is not making any representation or warranty, express or implied, as to the content of this document. No liability is accepted by Allenby for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document for which the Directors and the Company are responsible. Allenby has not authorised the contents or any part of this document.

The Open Offer closes at 11.00 a.m. on 13 September 2023. If you are a Qualifying Shareholder and want to apply for Open Offer Shares under the Open Offer you should follow the procedure set out in Part III of this document and, where relevant, complete and return the Application Form which will be posted on 29 August 2023.

None of the Open Offer Entitlements, the Application Form or this document may be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States or to any US person. None of the Open Offer Entitlements, the Application Form or this document constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any US person. Securities may not be offered or sold in the United States absent: (i) registration under the US Securities Act 1933; or (ii) an available exemption from registration under the US Securities Act 1933. The securities mentioned herein have not been, and will not be, registered under the US Securities Act 1933 and will not be offered to the public in the United States.

This document does not constitute an offer to buy or to subscribe for, or the solicitation of an offer to buy or subscribe for, New Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. The Ordinary Shares have not been, and the New Ordinary Shares will not be, qualified for sale under the laws of any of Canada, Australia, the Republic of South Africa or Japan and may not be offered or sold in Canada, Australia, the Republic of South Africa, or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan. Neither this document nor any copy of it may be sent to or taken into the United States, Canada, Australia, the Republic of South Africa, or Japan. In addition, the securities to which this document relates must not be marketed into any jurisdiction where to do so would be unlawful.

The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this document you agree to be bound by the foregoing instructions and limitations.

The information contained in this document has been prepared solely for the purposes of the Placing, Subscription and Open Offer and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

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DEFINITIONS

“Act”	the Companies Act 2006 (as amended);
“AIM”	a market of that name operated by London Stock Exchange Plc;
“AIM Rules”	the AIM Rules for Companies as published by London Stock Exchange Plc from time to time;
“Allenby”	Allenby Capital Limited;
“Application Form”	the personalised application form that will be posted on 29 August 2023 for use by Qualifying Shareholders in connection with the Open Offer;
“Business Day”	means a day (excluding Saturdays, Sundays and statutory holidays) on which banks are open for business in the City of London;
“Circular”	this circular to shareholders dated 29 August 2023;
“Company” or “Grafenia”	Grafenia plc;
“CCSS”	the CREST Courier and Sorting Service, established by Euroclear to facilitate, <i>inter alia</i> , the deposit and withdrawal of certificated securities;
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear;
“CREST Manual”	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms, as published by Euroclear from time to time;
“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Regulations);
“CREST member account ID”	the identification code or number attached to a member account in CREST;
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST participant ID”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST payment”	shall have the meaning given in the CREST Manual issued by Euroclear;
“CREST Regulations”	the Uncertificated Securities Regulations 2001(SI 2001/3755) (as amended);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Directors” or “Board”	the directors of the Company at the date of this document whose names are set out on page 9 of this document;
“Enlarged Share Capital”	the number of Ordinary Shares in issue following completion of the Fundraising;
“EU”	the European Union;
“Euroclear”	Euroclear UK & International Limited;

“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement provided that they have agreed to take up their Open Offer Entitlement in full;
“Excess CREST Open Offer Entitlement”	in respect of each Qualifying CREST Shareholder, the entitlement (in addition to his Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Open Offer Entitlement in full;
“Existing Ordinary Shares”	the 114,490,828 Ordinary Shares in issue at the date of this document;
“FCA”	the Financial Conduct Authority;
“First Admission”	admission of the First Placing Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“First Placing Shares”	122,941,172 new Ordinary Shares to be allotted pursuant to the Placing;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the GM;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“Fundraising”	the Placing, Subscription and Open Offer;
“GM” or “General Meeting”	the general meeting of the Company convened for 10 a.m. on 15 September 2023 and any adjournment thereof, notice of which is set out at the end of this document;
“ISIN”	International Securities Identification Number;
“Issue Price”	8.5 pence per Ordinary Share;
“Link Group”	a trading name of Link Market Services Limited;
“Money Laundering Regulations”	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended;
“New Ordinary Shares”	the new Ordinary Shares to be issued by the Company pursuant to the Fundraising;
“Official List”	the Official List of the FCA;
“Open Offer”	the offer to Shareholders, constituting an invitation to apply for the Open Offer Shares on the terms and subject to the conditions set out in this document and, in the case of non-CREST Shareholders, in the Application Form;
“Open Offer Entitlement”	an entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply for 1 Open Offer Share for every 2 Existing Ordinary Shares held by the Qualifying Shareholder at the Record Date;
“Open Offer Shares”	up to 57,245,414 new Ordinary Shares which are the subject of the Open Offer;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“Overseas Shareholders”	Shareholders who are resident in or a citizen or national of any country outside the United Kingdom;
“Placees”	the subscribers for Placing Shares pursuant to the Placing;
“Placing”	the proposed conditional placing by Allenby of the Placing Shares at the Issue Price;
“Placing and Open Offer Agreement”	the conditional agreement dated 28 August 2023 between (1) the Company and (2) Allenby relating to the Placing and Open Offer;

“Placing Shares”	the 238,823,526 new Ordinary Shares which have been conditionally placed by Allenby pursuant to the Placing;
“Proposals”	the proposals set out in this document;
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form via CREST;
“Qualifying non-CREST Shareholders”	Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
“Qualifying Shareholders”	Shareholders whose Ordinary Shares are on the register of members of the Company at the close of business on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident outside the United Kingdom;
“Receiving Agent” or “Registrar”	Link Group;
“Record Date”	close of business on 24 August 2023;
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of AIM announcements and included within the list on the website of the FCA;
“Resolutions”	the resolutions to be proposed at the GM, details of which are set out in the notice of General Meeting set out at the end of this document;
“Restricted Jurisdiction”	each and any of the United States, Australia, Canada, France, Japan, the Republic of Ireland and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law;
“Second Admission”	admission of the Second Placing Shares and the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“Second Placing Shares”	115,882,354 new Ordinary Shares to be allotted pursuant to the Placing;
“Shareholders”	holders of Ordinary Shares;
“Subscription”	the proposed conditional subscription of the Subscription Shares at the Issue Price;
“Subscription Shares”	the 31,764,702 New Ordinary Shares subscribed for pursuant to the Subscription;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” of “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and
“USE”	Unmatched Stock Event.

A reference to £ is to pounds sterling, being the lawful currency of the UK.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for the Open Offer	Close of Business on 24 August 2023
Announcement of the Fundraising	29 August 2023
Publication of Circular, Form of Proxy and Application Form	on or by 29 August 2023
Ex entitlement date for the Open Offer	8.00 a.m. on 30 August 2023
Open Offer Entitlements and Excess CREST Open Offer	as soon as possible after
Entitlements credited to stock accounts of Qualifying CREST Shareholders	8.00 a.m. on 31 August 2023
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 7 September 2023
Latest time for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements in to CREST	3.00 p.m. on 8 September 2023
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 11 September 2023
Latest time and date for receipt of Form of Proxy for General Meeting	10.00 a.m. on 13 September 2023
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 13 September 2023
Announcement of the result of Open Offer	by 14 September 2023
General Meeting	10.00 a.m. on 15 September 2023
Announcement of the results of the General Meeting	15 September 2023
First Admission and commencement of dealings in the First Placing Shares and the Subscription Shares	8.00 a.m. on 20 September 2023
CREST members' accounts credited in respect of the First Placing Shares and Subscription Shares in uncertificated form	as soon as possible after 8.00 a.m. on 20 September 2023
Second Admission and commencement of dealings in the Second Placing Shares and Open Offer Shares	8.00 am on 29 September 2023
CREST members' accounts credited in respect of the Second Placing Shares and Open Offer Shares	as soon as possible after 8.00 am on 29 September 2023
Dispatch of definitive share certificates for the New Ordinary Shares in certificated form	13 October 2023

If you have any queries on the procedures for application under the Open Offer, you should contact the Receiving Agent, Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

All times are London times and each of the times and dates are subject to change. If any of the details contained in the timetable above should change, the revised time and dates will be notified to Shareholders by means of a Regulatory Information Service announcement. Certain of the events in the above timetable are conditional upon, *inter alia*, the approval of the Resolutions to be proposed at the General Meeting. The timetable above assumes that the Resolutions are passed at the General Meeting without adjournment.

PLACING, OPEN OFFER & SUBSCRIPTION STATISTICS

Number of Existing Ordinary Shares	114,490,828
Issue Price	8.5p
Number of Placing Shares	238,823,526
Number of Open Offer Shares*	57,245,414
Number of Subscription Shares	31,764,702
Number of Ordinary Shares in issue immediately following the Fundraising*	442,324,470
Amount, after expenses, being raised under the Placing, Open Offer* and Subscription	£27.6 million
Market capitalisation of the Company at the Issue Price following the Fundraising*	£37.6 million

* on the assumption the Open Offer is taken up in full by Shareholders

TIDM	GRA
ISIN	GB0009638130
SEDOL	0963813
LEI	213800OKTI2518K5KM22
Temporary ISIN for any basic entitlement under the Open Offer	GB00BNTYVS80
Temporary ISIN for any excess application under the Open Offer	GB00BNTYVT97

PART I:
LETTER FROM THE CHAIRMAN
Grafenia plc

(registered in England and Wales with registered number 03983312)

Directors

Jan Mohr (*Non-executive Chairman*)
Gavin Cockerill (*Chief Executive*)
Iain Brown (*Finance Director*)
Richard Lightfoot (*Director*)
Matthias Riechert (*Non-executive Director*)
Simon Barrell (*Non-executive Director*)
Conrad Bona (*Non-executive Director*)

Registered Office

The Hub
Third Avenue
The Village
Trafford Park
Manchester
M1 1FG

29 August 2023

To Shareholders and, for information purposes only, to the holders of options over Ordinary Shares

**Placing and Subscription of 270,588,228 new Ordinary Shares at 8.5 pence
per share**
Open Offer of up to 57,245,414 new Ordinary Shares at 8.5 pence per share
Notice of General Meeting

Introduction

On 29 August 2023, Grafenia announced that it had conditionally raised £23.0 million by means of a Placing and Subscription of 270,588,228 new Ordinary Shares at 8.5 pence per Ordinary Share which is conditional on, amongst other things, the passing of the Resolutions and admission of the New Ordinary Shares to trading on AIM.

The purpose of this letter is to provide you with further information on the Placing, the Subscription and the Open Offer to Qualifying Shareholders.

Qualifying Shareholders are invited to apply for Open Offer Shares under the Open Offer at the Issue Price of 8.5 pence per Open Offer Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

One Open Offer Share for every Two Existing Ordinary Shares held at the Record Date.

A notice convening a GM to consider the Resolutions required to give effect to the Placing, the Subscription and the Open Offer is set out at the end of this document. The GM will be held at 10 a.m. on 15 September 2023.

Background to and reasons for the Fundraising

Grafenia, historically, has been known predominantly within the graphics sector. Over the years, moving from a franchise model with printing.com to a software licensing model with Nettl. In both cases, the 'secret sauce' was always the software. We've built software for many years. It runs our Nettl Systems business and we licence it around the world.

Given the Company's background in software, in 2021, we announced a change in our acquisition plans. Repositioning the business to better utilise our status as a public company. To focus on and invest in building the structure required to become a serial acquirer of vertical market software ("VMS") businesses.

The first step in the transition was the sale of our production facility, Works Manchester Limited. That moved our business away from asset-heavy manufacturing, enabling us to focus on software and systems.

What that meant was our Nettl Systems business became a software operation, with a significantly reduced cost base. But as a Group, we became smaller as a result of the divestment, with the same central costs. Growing the size of the Group, faster, became the priority.

Since then, we've doubled down on our acquisition strategy with the aim of achieving that growth. Developing an active deal origination process which has resulted in four acquisitions during the previous financial year ended 31 March 2023 ("FY23"). Building a healthy deal flow at the same time.

To date, we've utilised our bond facility to fund the acquisitions. During FY23 we issued **£11.2m** of bonds, at nominal value, raising **£9.5m** before expenses. We deployed **£9.6m** of capital, including deal costs.

Our method

We're continually evaluating multiple VMS business targets. We find potential acquisitions through our outreach program. Engaging with niche, business-to-business, and mission-critical platforms.

We look for businesses where the majority of revenues are recurring in nature and logo churn is low. The sustainability of our strategy is underpinned by the recurring revenue model. This approach allows for a more reliable revenue stream, promoting long-term stability.

The businesses we have acquired have been stable or shown growth over the past three years.

We've invested in building an acquisition 'flywheel'. A structured approach to drive leads for potential acquisition targets. Our deal flow continues to look healthy, having a pipeline of deals we are hoping may progress.

To help us find and prioritise the right kind of deals, we have a framework, a set of what we call 'Guard Rails'. For example:

- Target is UK/IE based
- Target has a clearly defined niche market
- Majority of revenues are recurring in nature, a minimum of £500k per annum
- Valuation multiple → up to 7x (adj EBITDA)
- Logo churn < 10%
- Customer concentration as % of recurring revenue is low
- Number of customers > 30

We run our business units in a decentralised way and actively avoid centralisation and consolidation. We do this to encourage an entrepreneurial spirit and culture in each business which is run by its own management team, supported by the Board. Our aim is to become the permanent home for those businesses and their management talent.

Depending on the reason for the sale, sometimes the owners remain. Sometimes the owners leave as part of the deal but the targets have an existing management team in place. Other times, we'll hire a managing director to replace the owners during a transition period.

Once there is mutual conviction that a target is right, we value a business based on a multiple of its adjusted earnings. Our experience from the first four deals we've completed suggests we are able to acquire VMS businesses at 4-6x adjusted EBITDA.

Our progress so far

Over the last 12 months, we set out to prove three things. That we can find and buy businesses that meet our criteria within the valuation metrics that we set. That we can complete those deals quickly and efficiently. And of course, that we can successfully operate those businesses.

A year on, Grafenia is now home to five software business units across multiple sectors that match our criteria. Those businesses have been, in the main, acquired during the latter stages of FY23.

As a result, the Group looks a little different today. We no longer own the production facility Works Manchester and Grafenia no longer exists solely in the graphics space. Our portfolio of businesses

operate primarily within the following sectors: Graphics & Ecommerce, Finance, Property and Care sectors.

Vertical Plus Limited (“Vertical Plus”)

In October 2022, we acquired Vertical Plus, an E-commerce storefront and inventory management platform for a consideration of **£2.25m** plus an earnout of up to **£0.63m**. Recurring revenues are generated through licence fees to access the software and royalties from sales generated via the platform.

Two owner-managers left the business, and one is remaining for a transitional period as a consultant. The sales director, also an owner, was promoted to managing director* upon completion.

* Not a Statutory Director

Vertical Plus Historic Performance – Last three financial years¹

Financial Year	2020	2021	2022
Sales	£1.8m	£2.4m	£2.0m
EBITDA	£0.35m	£0.66m	£0.25m
Adj EBITDA²	£0.27m	£0.39m	£0.38m
ROS %	15%	16%	19%

1 Unaudited Management Accounts

2 Adjustments to EBITDA made during Financial Due Diligence. This does not reflect all adjustments made for valuation or future company adjustments to EBITDA

EBITDA Adjustments: Directors’ Pensions, Exiting Staff Costs, Deal Costs, Non-Recurring Costs, CJRS Income, EU Grant, Dividends.

Watermark Technologies Limited (“Watermark”)

In December 2022, we acquired Watermark, a document management platform optimised for independent financial advisors, for a consideration of **£2.5m**. Recurring revenues are generated through licence fees to access the software.

Two founder-managers left the business, both remaining for a transitional period as consultants. A new managing director*, involved during the acquisition process, has been hired to drive the business forward.

* Not a Statutory Director

Watermark Historic Performance – Last three financial years¹

Financial Year	2020	2021	2022
Sales	£1.2m	£1.2m	£1.2m
EBITDA	£0.19m	£0.34m	£0.44m
Adj EBITDA²	£0.32m	£0.39m	£0.42m
ROS %	27%	33%	35%

1 Unaudited Management Accounts

2 Adjustments to EBITDA made during Financial Due Diligence. This does not reflect all adjustments made for valuation or future company adjustments to EBITDA

Adjustments: Directors’ Pensions, CJRS Income, Dividends.

Care Management Systems Limited (“Care Docs”)

In January 2023, we acquired Care Management Systems t/a Care Docs, a Care Home Management platform, for a consideration of **£3.5m**. Recurring revenues are generated through licence fees to access the software on each device required.

Two founder managers left the business, one remaining for a transitional period as a consultant. A management team was already in place and has remained since completion.

Care Docs Historic Performance – Last three financial years¹:

Financial Year	2020	2021	2022
Sales	£2.1m	£2.3m	£2.5m
EBITDA	£0.58m	£0.45m	£0.14m
Adj EBITDA²	£0.74m	£0.66m	£0.38m
ROS %	36%	29%	15%

1 Unaudited Management Accounts

2 Adjustments to EBITDA made during Financial Due Diligence. This does not reflect all adjustments made for valuation or future company adjustments to EBITDA

Adjustments: Non-recurring costs.

Topfloor Ltd (“Topfloor”)

In February 2023, we acquired Topfloor, a property management platform, for a consideration of **€4.8m** plus an earnout of up to **€1.4m**. Recurring revenues are generated through licence fees to access the software.

One of three founder managers left upon completion. Two remain, the CEO and CTO*.

*Not a Statutory Director.

Topfloor Historic Performance – Last three financial years¹

Financial Year	2020	2021	2022
Sales	€1.2m	€1.4m	€1.6m
EBITDA	€0.11m	€0.05m	€0.38m
Adj EBITDA²	€0.48m	€0.65m	€0.74m
ROS %	39%	48%	46%

1 Unaudited Management Accounts

2 Adjustments to EBITDA made during Financial Due Diligence. This does not reflect all adjustments made for valuation or future company adjustments to EBITDA

Adjustments: Directors’ Remuneration, Directors’ Pensions.

We have successfully onboarded our newly acquired businesses and they are contributing to profitability and performing as expected.

We plan to drive organic growth by benchmarking performance metrics, providing focus, structure and know-how around operational best practice. Ultimately, we acquire these businesses for what they can do for the Company i.e. bring recurring revenues and profit.

The four acquisitions have a combined annual turnover of over ~£7.0m. **£2.2m** of total Group sales in the FY23 was generated by these acquired businesses, having been acquired during the latter stages of FY23.

Our Netl Systems business generated **£9.5m** of sales (2022: £8.9m) during FY23 which is a **7%** year-on-year increase. That’s a welcome result, but it was coming off a year still impacted by the COVID pandemic. We still expect Netl Systems to grow organically, as we continually develop the platform to future-proof our partners and increase the product range offered. But that growth may be more modest and may not significantly ‘move the needle’ in terms of Group size. Our focus at Group level, is therefore on scaling by way of acquisition.

Our Current Portfolio:

Below, you'll see a breakdown of the FY23 sales contribution of our five operating business units for the period since acquisition.

Business Unit	Sector	Date Acquired	Initial Consideration	Deferred Consideration	Group Sales FY23
Nettl Systems	Graphics & Ecommerce	n/a	n/a	n/a	£9.53m
Vertical Plus	Ecommerce & Inventory Management	01/10/22	£1.25m	£1.00m	£1.01m
Watermark	Document Management	07/12/22	£1.50m	£1.00m	£0.42m
Care Docs	Care Management	18/01/23	£2.98m	£0.52m	£0.55m
TopFloor	Property Management	17/02/23	£3.42m	£0.85m	£0.17m
Total			£9.15m	£3.37m	£11.68m

Use of Proceeds

The Company funded the first round of deals using our Bond facility. This helped us prove the story and allowed us to link fundraising with opportunities in a flexible way.

	Initial Consideration	Deferred Consideration	Bond 1 (Cash)	Bond 2 (Cash)	Bond 3 (Cash)	Total (Cash)
	—	—	£4.25m	£2.72m	£2.55m	£9.52m
Vertical Plus	£1.25m	£1.00m	£1.25m	—	—	
Watermark	£1.50m	£1.00m	£1.50m	—	—	
Care Docs	£2.98m	£0.52m	—	£2.98m	—	
Topfloor	£3.42m*	£0.85m*	—	—	£3.42m*	
Total Consideration	£9.15m	£3.37m				£12.52m
Capital Deployed			£2.75m	£2.98m	£3.42m	£9.15m
Difference			£1.5m	-£0.26m	-£0.87m	£0.37m

*EUR to GBP conversion as at 17/02/23 = 0.89

Source: https://www.exchangerates.org.uk/EUR-GBP-17_02_2023-exchange-rate-history.html

For phase two, our aim is to continue the execution of our acquisition strategy and the growth of the Group. We plan to use the proceeds of this Fundraising to acquire more VMS businesses that match our criteria.

In the short term, while the Company is seeking to identify and negotiate further acquisitions, the Company expects to utilise some of the proceeds from issue of the First Placing Shares to repurchase certain of its existing Bond arrangements. Following discussions with bond holders and the Company's substantial shareholders, the Board expect to repurchase up to £7.6m of bonds at 87% of their face value (utilising up to £6.6m of the proceeds of the Fundraising excluding accrued interest payable and costs).

In addition, the Fundraising will enable the Company to pay **£3.4m** of deferred consideration that will become due for the first four acquisitions, and **£0.3m** of fundraising costs.

The Company expects to utilise the remaining amount to acquire VMS businesses that match our criteria. The Company plans to finance further acquisitions with a prudent mix of equity and debt which may include further restructuring of the remaining bond facility. Alongside this, the Company plans to source traditional bank debt facilities to provide a long-term funding option to support the Company's serial acquisition strategy.

Potential Reverse Takeover(s)

As the Company reported a loss before tax for the year ended 31 March 2023 and due to the Company's market capitalisation, a sizeable acquisition in the foreseeable future might be classified as a reverse takeover pursuant to the AIM Rules. Accordingly, any such acquisition would be conditional on the consent of Shareholders and would require the publication of an admission document for the enlarged Group to seek re-admission to AIM.

Current trading and outlook

With the acquisitions we've added to the Group, on a run-rate basis, annualised sales would be approximately **£17m**. We're currently trading in line with our internal forecasts and newly acquired business units are performing as expected and contributing to profitability. We're therefore cautiously optimistic about the upcoming year. With a full year's trade from our newly acquired businesses, our goal of achieving EBITDA at 10-15% of sales, after central costs, is considered by the directors to be a realistic target.

As we further reposition our business, the search for VMS businesses continues and our deal flow looks healthy. Our focus remains on scaling the Group by way of acquisition.

Our preliminary results statement for the year ended 31 March 2023 was announced on 26 July 2023.

Details of the Placing and Subscription

The Company has conditionally raised £23.0 million of cash by means of the Placing and Subscription of 270,588,228 new Ordinary Shares at the Issue Price.

The Placing is conditional upon, *inter alia*, the passing of the Resolutions to be put to Shareholders at the General Meeting

The Placing is being conducted in two tranches to allow the Company to utilise certain funds from the First Placing Shares to repurchase certain of its existing issued bonds and allow those bondholders to re-invest in the Company and receive new Ordinary Shares.

Subject to the passing of the Resolutions at the GM, the first tranche of the Placing, will raise a total of approximately £10.4 million by the issue of 122,941,172 new Ordinary Shares (being the First Placing Shares) at the Issue Price. In addition, the Subscription will raise approximately £2.7 million by the issue of 31,764,702 new Ordinary Shares (being the Subscription Shares) at the Issue Price. It is expected that First Admission will take place on or around 20 September 2023. The allotment of the First Placing Shares is conditional, *inter alia*, upon First Admission and the Placing and Open Offer Agreement becoming unconditional in respect of the First Placing Shares and not being terminated in accordance with its terms prior to First Admission.

Subject to the passing of the Resolutions at the GM, the second tranche of the Placing will raise a total of approximately £9.9 million by the issue of 115,882,354 Ordinary Shares (being the Second Placing Shares) at the Issue Price. In addition, the allotment of the Second Placing Shares is conditional, *inter alia*, on the Placing and Open Offer Agreement becoming unconditional in respect of the Second Placing Shares and not being terminated in accordance with its terms prior to Second Admission. Open Offer Shares to be issued pursuant to the Open Offer will also be included in the Second Admission. It is expected that Second Admission will take place on or around 29 September 2023.

The Placing Shares, the Subscription Shares and the Open Offer Shares, when issued and fully paid, will rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after admission to trading on AIM.

Following First Admission, the Company's enlarged issued ordinary share capital will comprise 269,196,702 Ordinary Shares with voting rights. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of Ordinary Shares in the Company with voting rights will be 269,196,702. As the take-up of the Open Offer cannot be predicted, the number of Ordinary Shares in issue (and the total number of voting rights) following Second Admission will be announced at that time.

The Placing and Open Offer Agreement

Pursuant to the terms of the Placing and Open Offer Agreement, Allenby as agents to the Company, has conditionally agreed to use its reasonable endeavours to procure Places for the Placing Shares to be issued under the Placing. The Placing is conditional, *inter alia*, upon the Placing and Open Offer Agreement becoming unconditional and not being terminated in accordance with its terms, First Admission occurring by no later than 8.00 a.m. on 20 September 2023 and Second Admission occurring by no later than 8.00 am on 29 September 2023 (or in either case such later date as the Company and the Allenby may agree, being no later than 8.00 a.m. on

13 October 2023). Once Second Admission has occurred, no party to the Placing and Open Offer Agreement can terminate any part of the Placing and Open Offer Agreement which relates to the Second Admission and/or the Placing, allotment and/or issue of the New Ordinary Shares subject to admission to trading on AIM.

Director Participation in the Fundraising

The Directors' interests as at today and following completion of the Fundraising are as follows:

Director	Existing beneficial interest in Ordinary Shares	% of current share capital	Subscription Shares subscribed for	Open Offer Shares to be applied for	Ordinary Shares after Placing and Subscription	% of Enlarged Share Capital
Jan Mohr	—	—	—	—	—	—
Gavin Cockerill	92,518	0.08%	—	46,259	138,777	0.03%
Iain Brown	84,208	0.07%	—	—	84,208	0.02%
Richard Lightfoot	152,156	0.13%	—	467,646	619,802	0.14%
Matthias Riechert	—	—	2,352,940	—	2,352,940	0.53%
Simon Barrell	85,356	0.07%	—	42,678	128,034	0.03%
Conrad Bona	1,168,841	1.02%	—	1,294,118	2,462,959	0.56%

Related Party Transactions

Investmentaktiengesellschaft für Langfristige Investoren TGV (**Langfrist**) and Value Focus Beteiligungs GmbH (**Value Focus**), are substantial shareholders in the Company and are subscribing for 79,411,764 Placing Shares and 76,470,588 Placing Shares respectively, which constitute related party transactions under the AIM Rules.

The Directors, other than Matthias Riechert, Conrad Bona and Richard Lightfoot who are not considered independent due to Mr Riechert's participation in the Subscription and Mr Bona and Mr Lightfoot's proposed use of the Excess Application Facility under the Open Offer, are considered to be independent directors of the Company for the purposes of AIM Rule 13 (the **Independent Directors**). Having consulted with the Company's nominated adviser, the Independent Directors consider that the terms of the participation in the Placing by Langfrist and Value Focus are fair and reasonable insofar as Shareholders are concerned.

Matthias Riechert, a Director, is subscribing for 2,352,940 Subscription Shares, and Conrad Bona and Richard Lightfoot, both Directors intend to subscribe for 1,294,118 and 467,646 Open Offer Shares respectively under the Excess Application facility. The subscriptions by each of Matthias Riechert, Conrad Bona and Richard Lightfoot (the "**Director's Participation**") constitute a related party transactions under the AIM Rules.

Having consulted with the Company's nominated adviser, the Independent Directors consider that the terms of the Directors' Participation are fair and reasonable insofar as Shareholders are concerned.

Open Offer

In order to provide all Qualifying Shareholders with an opportunity to participate, the Company is conducting an Open Offer providing those shareholders the opportunity to subscribe at the Issue Price for an aggregate of 57,245,414 Open Offer Shares. This allows Qualifying Shareholders to participate on a pre-emptive basis whilst providing the Company with the flexibility to raise additional equity capital to further improve its financial position.

Qualifying Shareholders are being offered the opportunity to apply for additional Open Offer Shares in excess of their *pro rata* entitlements to the extent that other Qualifying Shareholders do not take up their entitlements in full. In the event of applications in excess of the maximum number of Open Offer Shares available, the Company will decide on the basis for allocation, however if this scenario occurs, preference is likely to be given to Qualifying Shareholders with smaller shareholdings (who historically may have had less opportunity to participate in placings conducted by the Company). The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 57,245,414 Open Offer Shares issued pursuant to the Open Offer.

The Placing, the Subscription and the Open Offer are conditional upon, *inter alia*, the approval of Shareholders of the Resolutions at the General Meeting and upon the Placing and Open Offer Agreement becoming unconditional in all respects.

Management Incentive Proposals

The remuneration committee of the Board (**Remuneration Committee**) proposes to adopt and implement a cash bonus scheme (the **Cash Bonus Plan**) for key personnel employed in the Group's operations team (the **Operations Team**) and mergers and acquisitions team (the **M&A Team**). All bonuses payable under the Cash Bonus Plan (the **Cash Bonuses**) are discretionary and personal to each participant, and the terms may be amended, varied, cancelled or adjusted in accordance with the rules of the Cash Bonus Plan at the discretion of the Remuneration Committee. Cash Bonuses payable to members of the Operations Team are referred to as **Operations Cash Bonuses**, with Cash Bonuses payable to members of the M&A Team being referred to as **M&A Cash Bonuses**.

It is envisaged that Cash Bonuses will be payable by reference to financial years of the Group (each being a **Bonus Period**), with each subsequent financial year being a further Bonus Period.

It is proposed that all Cash Bonuses will be subject to malus and clawback provisions under which the Remuneration Committee has the right to recover amounts already paid to participants or, where appropriate, cancel or reduce any further payments that may become due.

If a recipient leaves before they receive a Cash Bonus, any present or future entitlements to receive Cash Bonuses will cease. The Board does, however, have discretion to allow recipients who are good leavers to retain such entitlements.

Whilst the precise terms of the Cash Bonuses remain to be finalised:

- The maximum amount of the proposed Operations Cash Bonuses for each Bonus Period (the **Operations Cash Bonus Pool**) will be 20% of the aggregate organic growth of sustainable earnings of companies owned by the Group (the **EBIT**) above a Hurdle of 5% (the **Hurdle**). The organic growth will be determined by the Board by observing the change of actual aggregate EBIT over one period, or, where the company has been recently acquired, by taking the difference between actual EBIT and an internal target of sustainable EBIT. The target and the Hurdle may be adjusted on a time-apportioned basis where a company is acquired part way through a Bonus Period. It is envisaged that the absolute Hurdle will not be reduced in case the aggregate organic growth falls below it. Each recipient of an Operations Cash Bonus will receive a proportion of the Operations Cash Bonus Pool for each Bonus Period to be determined at the discretion of the Remuneration Committee. Cash Bonuses payable to Operations Team members are envisaged to be paid following the end of each Bonus Period and once financial results have been determined by the Board. The first Bonus Period for the Operations Cash Bonuses will be the current financial year.
- The maximum aggregate amount of the proposed M&A Cash Bonuses for each Bonus Period will be 2.75% of the "value creation" achieved in respect of companies acquired by the Group during that Bonus Period, determined by reference to any difference between our internal estimate of post-acquisition value of those companies and the price paid for them, with each recipient receiving a proportion of that amount to be determined at the discretion of the Remuneration Committee. M&A Cash Bonuses will be payable in two instalments, with 50% of each individual's M&A Cash Bonus being payable following the end of the Bonus Period and once financial results have been determined by the Board, and the remaining 50% payable following the end of the next Bonus Period and once financial results have been determined by the Board. Should any further acquisitions take place, M&A Cash Bonuses would be payable on the same basis, with 50% of the M&A Cash Bonuses payable following the end of the Bonus Period in which the acquisition takes place, and 50% following the end of the next Bonus Period. To reward members of the M&A Team for acquisitions made prior to the current financial year, it is envisaged that the first Bonus Period for M&A Cash Bonuses will be the financial year ended 31 March 2023. In respect of this Bonus Period only, it is proposed that 50% of the M&A Cash Bonus due in respect of that Bonus Period will be due and payable in the October 2023 payroll, with the remaining 50% payable following the end of the current financial year and once financial results have been determined by the Board for that financial year.

The Remuneration Committee also proposes to adopt a non-tax-advantaged, discretionary share option plan (the **Share Option Plan**) under which it intends to grant share options (the **Options**) to certain key individuals. Whilst the precise terms of the proposed Share Option Plan remain to be finalised, it is proposed that the Options granted, when aggregated with other awards over Ordinary Shares under other Company discretionary share schemes, will represent no more than 5% of the issued share capital of the Company following the Fundraising and at the time of the grant of the Options. It is also intended that the Options will have a three year holding period and will then vest annually *pro rata* over a four year period thereafter, with an exercise price calculated by taking the Issue Price and applying a 10% year-on-year hurdle multiple over that seven year period.

The Remuneration Committee have also recommended the adoption in due course of a tax advantaged discretionary company share option plan (the **CSOP Plan**) for the benefit of employees generally. The precise parameters of the CSOP Plan are to be finalised by the Remuneration Committee but it is intended the strike price of any awards under the CSOP Plan would be aligned to shareholder interests and that the maximum awards under the CSOP Plan would, when aggregated with other awards over Ordinary Shares under other Company discretionary share schemes, not exceed 5% of the issued share capital of the Company following the Fundraising.

Resolutions and General Meeting

The Fundraising is conditional upon, *inter alia*, the passing of the Resolutions. A notice convening the GM to be held at the Company's registered office at 10 a.m. on 15 September 2023 is set out at the end of this document. At the GM, the following Resolutions will be proposed:

- (1) an ordinary resolution to authorise the Directors to allot relevant securities, *inter alia*, for the purposes of the Placing, the Subscription and Open Offer and otherwise up to an aggregate nominal amount of £3,659,972.51;
- (2) ordinary resolutions to adopt each of the Share Option Plan and the CSOP Plan; and
- (3) a special resolution to allow the Directors, subject to the limits set out in that resolution, to issue Ordinary Shares for cash otherwise than on a pre-emptive basis, including a specific authority to allot the Placing Shares, the Subscription Shares and the Open Offer Shares and otherwise up to a nominal amount of £3,392,827.25.

Irrevocable commitments

The Directors (or persons connected with the Directors within the meaning of sections 252 – 255 of the Act), who in aggregate hold 1,583,079 Existing Ordinary Shares, representing approximately 1.38 per cent. of the Existing Ordinary Shares, have irrevocably undertaken to vote in favour of the Resolutions at the General Meeting.

Action to be taken by Shareholders

Attached to this document is a notice of general meeting to be held at 10 a.m. on 15 September 2023 at the offices of Gateley Plc, Ship Canal House, 98 King Street, Manchester M2 4WU.

You will find instructions regarding voting electronically and how to register to do so in note 5 on page 51 of this Circular. You may alternatively request a hard copy Form of Proxy directly from our Registrar, Link. Details of how to do this can also be found in note 5.3 on page 52 of this Circular.

To be valid, your electronic proxy vote or Form of Proxy must be completed and returned so as to be received at the offices of the Company's registrars, Link Group at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL not later than 10 a.m. on 13 September 2023.

The action to be taken by Qualifying Shareholders in order to apply for Open Offer Shares under the Open Offer is set out under "Procedure for Application and Payment" in Part III of this document and in the Application Form accompanying this document.

Applications will be made to the London Stock Exchange Plc for the Placing Shares, the Subscription Shares and the Open Offer Shares to be admitted to trading on AIM. It is expected that First Admission will become effective and dealings in the First Placing Shares and the Subscription Shares will commence at 8.00 a.m. on 20 September 2023 and Second Admission will become effective and dealings in the Second Placing Shares and the Open Offer Shares will commence at 8.00 a.m. on 29 September 2023.

The articles of association of the Company permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so.

Yours faithfully,

Jan Mohr
Chairman

PART II: RISK FACTORS

An investment in New Ordinary Shares may not be suitable for all recipients of this document and involves a number of risks. All the information set out in this document and, in particular, those risks relating to the Placing, the Subscription and the Open Offer described below, should be carefully considered prior to making any investment decision. Accordingly, you are strongly recommended to consult an investment adviser authorised under the FSMA, who specialises in the acquisition of shares and other securities before making a decision to invest. In addition to all the other information contained in this document, potential investors should carefully consider the following risk factors which the Directors consider to be all the known material risks in respect of the business of the Company and its securities, but are not set out in any particular order of priority.

If any of the circumstances identified in the risk factors were to materialise to the Company's business, financial condition and operating results could be materially affected. In particular, the Company's performance is likely to be affected by changes to the market and/or economic conditions and legal, accounting, regulatory and tax requirements currently unknown by the Company. Investors should note that the trading price of the Ordinary Shares could decline due to any of these risks and investors may lose all or part of their investment.

Additional risks which are not presently known to the Board, or that the Board currently deems to be immaterial, may also have an effect on the Company's business, financial condition and operating results.

1. RISKS RELATING TO THE COMPANY AND ITS BUSINESS

- 1.1 **Economic and Market Risks:** The Company's performance and financial results may be influenced by economic downturns, market volatility, changes in interest rates, high inflation and other macroeconomic factors that are beyond its control.
- 1.2 **Competition and Market Position:** The Company operates in competitive industries, there could be a risk of losing market share to existing competitors or new entrants. Changes in consumer preferences and demand, technological advancements, or regulatory developments could adversely affect the Company's competitive position.
- 1.3 **Acquisition Risks:** There is no guarantee that the acquisition objectives of the Group will be met. The Group will face competition from other potential acquirors. Competitors may have greater financial resources than the Group and a greater ability to source funds to make acquisitions. The ability of the Group to achieve its acquisition objectives depends upon the Group identifying and selecting targets and executing acquisitions which offer the potential for satisfactory shareholder returns. The Group's due diligence may not identify all risks and liabilities in respect of an acquisition. To the extent that the Group underestimates or fails to identify risks and liabilities associated with the target in question, the Group may be affected by such risks or liabilities which may have a material adverse effect on the Group's profitability and the price of Ordinary Shares.
- 1.4 **Regulatory and Compliance Risks:** The Company is subject to various laws, regulations, and licenses governing its operations and employment practices. Non-compliance with these regulations could result in legal sanctions, fines, reputational damage, or restrictions on business activities.
- 1.5 **Intellectual Property Risks:** The Company licenses SaaS software under various trade names and trademarks, its success may depend on its ability to protect and enforce its intellectual property rights. There is a risk that competitors may infringe upon the Company's intellectual property or that the Company's intellectual property rights may be invalidated or challenged.
- 1.6 **Operational Risks:** The Company's operations may be exposed to various risks, including loss of key personnel or failure to attract management talent, supply chain disruptions, technological failures, technological advances such as AI resulting in technological obsolescence, cybersecurity breaches, natural disasters, or other unforeseen events that could disrupt business operations, result in financial losses, or damage the Company's reputation.

- 1.7 **Financial Risks:** The Company's financial performance may be impacted by factors such as changes in interest rates or credit availability. The Company's business model is to allocate capital to acquisitions which may be impacted by availability of capital and fluctuations in the capital markets leading to liquidity constraints. Poor performing acquisitions may consume management time, focus and the Company's financial resources. Overall poor financial performance could affect the Company's ability to meet its financial obligations or negatively impact investor confidence.
- 1.8 **Financial resources:** In the opinion of the Directors, having made due and careful enquiry, taking into account the existing cash resources of the Group and the net proceeds of the Fundraising, the working capital available to the Group will be sufficient for its present requirements, that is for at least the next 12 months from the date of Second Admission. The Group's future capital requirements will, however, depend on many factors, including economic and market conditions and the Group's ability to expand and control costs. In the future, the Group may require additional funds, particularly to take advantage of acquisition opportunities, and may attempt to raise additional funds through equity or debt financings or from other sources. Any additional equity financing may be dilutive to holders of New Ordinary Shares. The Group may be unable to obtain additional financing on acceptable terms or at all if, for example, market and economic conditions, the financial condition or operating performance of the Group or investor sentiment (whether towards the Group in particular or towards the market sector in which the Group operates) are unfavourable. The Group's inability to raise additional funding may hinder its ability to grow in the future or to maintain its existing levels of operation.
- 1.9 **Cybersecurity attacks:** The Group is reliant on the efficient and uninterrupted operation of several information technology systems and networks to fully operate its business. Any significant disruptions to, or breaches of, the Group's platform, network or products through a deliberate hack or otherwise could have a material adverse effect on the Group or its customers and may result in the Group incurring the costs of remedying any breach along with suffering reputational damage.
- 1.10 **Foreign Exchange Risks:** The Group, via its subsidiary, Topfloor, derives part of its revenues in Euros. The Group is therefore exposed to adverse exchange rate movements which could cause its revenues to decrease (relative to its reporting currency) resulting in reduced revenues and profitability for the Group. A portion of the Group's business may be carried out in the future in currencies other than pounds sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Group's accounts, which could have a material impact on the Group's financial position or result of operations, as shown in the Company's accounts going forward.
- 1.11 **Global pandemic:** A pandemic caused by the COVID-19 virus or similar public health crisis may lead to measures taken to control the spread of disease, such as lockdowns, travel restrictions, and social distancing, which can disrupt economic activities, leading to job losses, business closures, and financial instability impacting the Company's ability to trade, reducing demand and disrupting the supply of goods.

2. RISK FACTORS ASSOCIATED WITH THE NEW ORDINARY SHARES

- 2.1 **Dilution of Ownership:** The size of the Placing and the issuance of a material number of Placing Shares may result in significant dilution of existing Shareholders' ownership percentage and voting rights in the Company, even where investing in New Ordinary Shares and the Excess Application Facility pursuant to the Open Offer, which could have an adverse impact on their overall investment.
- 2.2 **Price Volatility:** The market price of the New Ordinary Shares may be subject to volatility, and shareholders may experience fluctuations in the value of their investment. Factors such as market conditions, investor sentiment, or the Company's financial performance could contribute to price volatility.
- 2.3 **Limited Liquidity:** Historically there has been limited liquidity in the Company's Existing Ordinary Shares. The New Ordinary Shares may have limited liquidity in the secondary market, making it difficult for shareholders to sell or transfer their shares quickly and at desired prices.

Shareholders may face challenges in realising their investment or may be subject to wider bid-ask spreads.

- 2.4 **Dividend Payments:** The Company has not declared dividends for a number of years and its ability to pay dividends to shareholders may be impacted by various factors, including its financial performance, capital requirements and investment objectives, legal and regulatory restrictions, or the discretion of the Board of Directors. There is no guarantee that dividends will be paid on the new ordinary shares.
- 2.5 **Regulatory Changes:** Changes in laws, regulations, or tax policies may affect the rights and benefits associated with owning the New Ordinary Shares. Shareholders should consider the potential impact of regulatory changes on their investment and seek professional advice.
- 2.6 **Fundraising Risk:** In the event that the Resolutions are not passed, the Company will not be able to proceed with the Fundraising in the form currently envisaged, with the result that the anticipated net proceeds of the Fundraising will not become available to fund proposed upcoming expenditure and achieve the objectives currently pursued by the Board. The Group's business plan and growth prospects may be adversely affected as a result.

The risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is exposed or all those risks associated with an investment in the Group. In particular, the Group's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to in this Part II of this document materialise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline and investors may lose all or part of their investment.

PART III:
TERMS AND CONDITIONS OF THE OPEN OFFER

1. INTRODUCTION

As explained in the letter set out in Part I: “Letter from the Chairman” of this document, the Company is proposing to issue up to 57,245,414 New Ordinary Shares at the Issue Price, and to raise, assuming that it is fully subscribed, through the Open Offer, approximately £4.9 million (net of expenses incurred in relation to the Open Offer).

Upon completion of the Open Offer, assuming it is fully subscribed, the Open Offer Shares will represent approximately 12.94 per cent. of the Enlarged Share Capital. The Existing Ordinary Shares will represent approximately 25.88 per cent. of the Enlarged Share Capital. These figures are calculated on the basis all Open Offer Shares are subscribed for.

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Shareholders is close of business on 24 August 2023. Application Forms are expected to be posted to Qualifying non-CREST Shareholders on or around 29 August 2023 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as possible after 8.00 a.m. on 31 August 2023.

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for further Open Offer Shares. Further details in relation to the Excess Application Facility are set out in Part IV “Questions and Answers about the Open Offer” in this Circular and, for Qualifying Shareholders, the Application Form.

The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 13 September 2023 with admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 29 September 2023.

This document and, for Qualifying Shareholders only, the Application Forms contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4.1 of this Part III: “Terms and Conditions of the Open Offer” which gives details of the procedure for application and payment for the Open Offer Shares and any additional shares applied for pursuant to the Excess Application Facility.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with the Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

The Company is proposing to issue up to 57,245,414 Open Offer Shares at the Issue Price subject to shareholder approval and Second Admission, in respect of valid applications by Qualifying Shareholders. Application will be made for the Placing Shares, the Subscription Shares and the Open Offer Shares to be admitted to trading on AIM.

The Open Offer is an opportunity for Qualifying Shareholders to apply for up to 57,245,414 Open Offer Shares *pro rata* to their current holdings at the Issue Price in accordance with the terms of the Open Offer. **Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full.**

The Open Offer Shares have not been placed subject to clawback nor have they been underwritten. Consequently, there may be fewer than 57,245,414 Open Offer Shares issued pursuant to the Open Offer.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to the “ex” entitlement date is advised to consult his or her 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 under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Shareholders, in the Application Form), Qualifying Shareholders are being given the opportunity under the Open Offer to apply for any number of Open Offer Shares at the Issue Price *pro rata* to their holdings. The Issue Price represents a discount of approximately 17.1 per cent. to the closing mid-market price per Ordinary Share of 10.25 pence on 25 August 2023, being the last practicable date prior to the announcement of the Fundraising and publication of this Circular.

Fractions of Open Offer Shares will not be allotted to Shareholders in the Open Offer and entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares and made available in the Excess Application Facility.

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

If you are a Qualifying non-CREST Shareholder, the Application Form will show the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 6).

Subject to availability, the Excess Application Facility will enable Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, to apply for further Open Offer Shares in excess of their Open Offer Entitlement. Further details in relation to the Excess Application Facility are set out in Part IV “Questions and Answers about the Open Offer” and, for Qualifying Shareholders, the Application Form. Qualifying Shareholders with nil basic entitlement will still be eligible to apply for Open Offer Shares under the Excess Application Facility.

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of this Part III: “Terms and Conditions of the Open Offer” for information on the relevant CREST procedures and further details on the Excess Application Facility. Qualifying CREST Shareholders can also refer to the CREST Manual for further information on the relevant CREST procedures.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Board will use their discretion as to whether to accept all applications in full, or that such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders.

Please refer to paragraphs 4.1(d) and 4.2(j) of this Part III “Terms and Conditions of the Open Offer” for further details of the Excess Application Facility.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer 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. Open Offer Shares not applied for 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 Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under their Open Offer Entitlements will be issued to Qualifying Shareholders who have made an application for Open Offer Shares in excess of their Open Offer Entitlement under the Excess Application Facility, with the proceeds retained for the benefit of the Company. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying Shareholders’ CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 31 August 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 shares, when issued and fully paid, may be held and transferred by means of CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the New Ordinary Shares of the Company. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional upon, amongst other things, the approval of the Resolutions at the General Meeting and upon the Placing and Open Offer Agreement becoming unconditional in all respects (other than as to Second Admission) and Second Admission becoming effective by not later than 8.00 a.m. on 29 September 2023 (or such later time and/or date as the Company and Allenby may determine, not being later than 8.00 a.m. on 13 October 2023).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), 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.

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 validly elect to hold their Open Offer Shares in certificated form by 13 October 2023. In respect of those Qualifying Shareholders who will validly elect 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 as soon as possible after 8.00 a.m. on 31 August 2023.

Applications will be made for the Open Offer Shares to be admitted to trading on AIM. Second Admission is expected to occur on 29 September 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 credited to a non-interest-bearing account by the Receiving Agent.

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 you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your Open Offer Entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account.

Qualifying Shareholders who hold all their Existing Ordinary Shares in certificated form will receive the Application Form. The Application Form will show the number of Existing Ordinary Shares at the Record Date. It will also show Qualifying Shareholders the number of Open Offer Shares available under their Open Offer Entitlement that can be allotted in certificated form. Qualifying Shareholders who hold all their Existing Ordinary Shares in CREST will be allotted Open Offer Shares in CREST. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form 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. 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 of this Part III: "Terms and Conditions of the Open Offer".

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 and Excess CREST 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 and Excess CREST 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 apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form, or send an USE message through CREST.

4.1 If you have an Application Form in respect of your Open Offer Entitlements under the Open Offer

(a) General

Subject as provided in paragraph 6 of Part III: “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, Qualifying non-CREST Shareholders will receive an Application Form. The Application Form will show the number of Existing Ordinary Shares registered in their name on the Record Date in Box 6. It also shows the Open Offer Entitlement allocated to them set out in Box 7. Entitlements to Open Offer Shares are rounded down to the nearest whole number and fractional Open Offer Entitlements have therefore also been rounded down. Box 8 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Qualifying non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided they have agreed to take up their Open Offer Entitlement in full, Qualifying non-CREST Shareholders may apply for more than the amount of their Open Offer Entitlement should they wish to do so. If the total number of Open Offer Shares applied for by all Qualifying Shareholders exceeds applications under the Excess Application Facility, the Board will use their discretion as to whether to accept all applications in full, or to scale back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying non-CREST Shareholders under the Excess Application Facility.

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

(b) Bona fide market claims

Applications to acquire Open Offer Shares 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” the 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 9 September 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 his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. 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 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however be forwarded to or transmitted in or into the United States or any other 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 procedure set out in paragraph 4.2(b) below.

(c) *Application procedures*

Qualifying non-CREST Shareholders wishing to apply to acquire Open Offer Shares (whether in respect of all or part of their Open Offer Entitlement or in addition to their Open Offer Entitlement under the Excess Application Facility) should complete the Application Form in accordance with the instructions printed on it. Qualifying non-CREST Shareholders may only apply for additional Open Offer Shares under the Excess Application Facility if they have agreed to take up their Open Offer Entitlements in full. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Excess Shares may be scaled back pro-rata according to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility or allocated in any other manner the Directors may determine in their absolute discretion. Accordingly, no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

Completed Application Forms should be posted in the pre-paid envelope accompanying the Application Form or returned by post or by hand (during normal business hours only) to the Receiving Agent, Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds, LS1 4DL (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 13 September 2023, after which time Application Forms will not be valid. Qualifying 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.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Link Market Services Limited re: Grafenia plc – Open Offer 2023 A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands 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 and banker's drafts 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 may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to confirm that the relevant Qualifying Shareholder has title to the underlying funds. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity (and withhold definitive share certificates (or crediting to the relevant member account, as applicable) pending clearance thereof). No interest will be paid on payments made. 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, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions of the Placing, the Subscription and the Open Offer are fulfilled, the application monies will be credited to a non-interest-bearing account by the Receiving Agent. If the Placing, the Subscription and the Open Offer do not become unconditional, 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 Placing, the Subscription and the Open Offer.

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 13 September 2023; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 13 September 2023 from authorised persons (as defined in FSMA) specifying the Open Offer Shares 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 have already been allotted to a Qualifying non-Crest Shareholder and such Qualifying non-CREST Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying non-CREST Shareholder's application is subsequently otherwise deemed to be invalid, the Company shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements for the sale of such Qualifying non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Registrar, Allenby, or 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 Shareholders.

(d) *The Excess Application facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables a Qualifying Shareholder to apply for Open Offer Shares in excess of their Open Offer Entitlement.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Board will use their discretion as to whether to accept all applications in full, or to scale back such applications *pro rata* to existing shareholdings.

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

Should the Placing, the Subscription and the Open Offer become unconditional and applications for Open Offer Shares exceed 57,245,414 Open Offer Shares and the Board agree to scale back applications, each Qualifying Shareholder who has made a valid application for excess Open Offer Shares under the Excess Application Facility and from whom payment in full for excess Open Offer Shares has been received will receive a pounds sterling amount equal to the number of Open Offer Shares applied and paid for but not allocated to the relevant Qualifying Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable thereafter, without payment of interest and at the applicant's sole risk.

(e) *Effect of application*

By completing and delivering an Application Form the applicant:

- (i) represents and warrants to the Company and Allenby that he has 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 his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and Allenby that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England;

- (iii) confirms to the Company and Allenby that in making the application he is not relying on any information or representation in relation to Grafenia other than that 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 and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to Grafenia contained in this document;
- (iv) represents and warrants to the Company and Allenby that he is a Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a bona tide market claim;
- (v) represents and warrants to the Company and Allenby that if he has received some or all of his Open Offer Entitlements from a person other than Grafenia he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares, to which he will become entitled be issued to him on the terms set out in this document and the Application Form;
- (vii) represents and warrants to the Company and Allenby that he is not, nor is he applying on behalf of any person who is, in the United States or 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 application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or 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 application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) represents and warrants to the Company and Allenby that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on Allenby or any person affiliated with Allenby in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to the Receiving Agent, Link Group, at Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL or you can contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

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

A Qualifying non-CREST Shareholder who is also a CREST member may elect to receive the Open Offer Shares to which he is entitled in uncertificated form in CREST. Please see paragraph 4.2(f) below for more information.

4.2 If you have Open Offer Entitlements and Excess CREST 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 paragraph 6 of this Part III: “Terms and Conditions of the Open Offer” in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess CREST Open Offer Entitlement. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any Open Offer Entitlements have therefore also been rounded down.

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 Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or the Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3:00 p.m. on 31 August 2023, or such later time and/or date as the Company may decide, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive such Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares and their Excess CREST Open Offer Entitlements 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 the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. Please note the Receiving Agent cannot provide financial, legal or tax advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or to apply for Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

Each of the Open Offer Entitlements and Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST 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 and Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST 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 in respect of all or some of their Open Offer Entitlements and their Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an 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 or Excess CREST 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 (i) above.

(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 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 GB00BNTYVS80;
- (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 the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member CREST account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 22100GRA;
- (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 New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 13 September 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 13 September 2023.

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

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

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 13 September 2023 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 29 September 2023 (or such later date as the Company and Allenby may agree, being no later than 8.00 a.m. on 13 October 2023, the Open Offer will lapse, 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) *Content of USE instruction in respect of Excess CREST 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 for which application is being made (and hence being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BNTYVT97;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the CREST member account ID of the Registrar in its capacity as a CREST receiving agent. This is 22100GRA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 13 September 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 in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 13 September 2023.

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

- (i) a contract 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 13 September 2023 in order to be valid is 11.00 a.m. on that day.

In the event that the Placing, the Subscription and the Open Offer do not become unconditional by 8.00 a.m. on 29 September 2023 (or such later date as the Company and Allenby may agree, being no later than 8.00 a.m. on 13 October 2023) the Placing, the Subscription and the Open Offer will lapse, 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.

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

A Qualifying Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his 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), provided that such Qualifying Shareholder is also a CREST member. Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from

CREST so that the entitlement under the Open Offer and entitlement to apply under the Excess Application Facility is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form 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 and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 13 September 2023. After depositing their Open Offer Entitlement into their CREST account, CREST holders will shortly thereafter receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

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 CCSS, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3:00 p.m. on 8 September 2023 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4:30 p.m. on 7 September 2023 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility 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 and the entitlement to apply under the Excess Application Facility, as the case may be, prior to 11.00 a.m. on 13 September 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/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing 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/they is/are not in the United States or citizen(s) or resident(s) of any Restricted Jurisdiction or any jurisdiction in which the application for New Ordinary 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.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 13 September 2023 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 13 September 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.

(i) *Incorrect or incomplete applications*

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

- (i) to reject the application in full and refund the payment to the CREST member in question (without 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 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 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 referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest).

(j) *The Excess Application Facility*

Provided they choose to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, the Board will have discretion to scale back such applications *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility.

To apply for excess Open Offer Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Should the Placing, the Subscription and the Open Offer become unconditional and applications for Open Offer Shares by Qualifying Shareholders under the Open Offer exceed 57,245,414 Open Offer Shares and the Board agree to scale back applications under the Excess Application Facility, each Qualifying CREST Shareholder who has made a valid application pursuant to his Excess CREST Open Offer Entitlement and from whom payment in full for the excess Open Offer Shares has been received, will receive a pounds sterling amount equal to the number of Open Offer Shares validly applied and paid for but which are not allocated to the relevant Qualifying CREST Shareholder multiplied by the Issue Price. Monies will be returned as soon as reasonably practicable following the completion of the scale back, without payment of interest and at the applicant's sole risk. Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

(k) *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 that he has 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 his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or

regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees 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 that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms that in making the application he is not relying on any information or representation in relation to Grafenia other than that 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 and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to Grafenia contained in this document;
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants that if he has received some or all of his Open Offer Entitlements from a person other than Grafenia, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (vii) requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the memorandum of association and articles of association of the Company;
- (viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or 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 application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (x) confirms that in making the application he is not relying and has not relied on Allenby or any person affiliated with Allenby in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(l) *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 III: "Terms and Conditions of the Open Offer";
- (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 Registrar 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 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.

(m) *Lapse of the Open Offer*

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 29 September 2023 (or such later date as the Company and Allenby may agree, being no later than 8.00 a.m. on 13 October 2023, the Open Offer will lapse, 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.

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 Link Group as Receiving Agent may also need any and all verified identity documents as previously provided to said UK regulated broker or intermediary. 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 as is referred to therein (for the purposes of this paragraph 5 the "relevant Open Offer Shares") 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 (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 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 or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and Allenby 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 Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000).

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 or banker's draft in sterling drawn on a branch in the United Kingdom 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 "Link Market Services Limited re: Grafenia Plc – Open Offer 2023 A/C" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque/banker's draft 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 (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 non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), 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 Registrar. If the agent is not such an organisation, it should contact the Registrar at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Link Group at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds, LS1 4DL or you can contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000) or more and is/are lodged by hand by the acceptor in person, or if the Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Registrar 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 account at the drawee bank from which such monies were originally debited (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 and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of some or all of your Open Offer Entitlements or Excess CREST 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 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 Registrar 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 concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. **OVERSEAS SHAREHOLDERS**

This document has not been approved by the FCA, being the competent authority in the United Kingdom. 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 making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees

of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

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

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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.

Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or any other Restricted Jurisdiction or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her and such Application Form and/or credit of Open Offer Entitlements or Excess CREST 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 of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

Neither the Company nor Allenby nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements or Excess CREST 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 or Excess CREST 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 or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company or Allenby determine 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 or Excess CREST 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 III: "Terms and Conditions of the Open Offer" 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 that appears to the Company or its agents to have been executed, effected or despatched from the United States or any other Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or any other Restricted Jurisdiction or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraph 6.2 below. Notwithstanding any other provision of this document or the relevant Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, 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 should note that payment must be made in sterling denominated cheques or banker's drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

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

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any other Restricted Jurisdiction. 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.

6.2 *United States*

The New Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction of the United States and, accordingly, may not be offered or sold, re-sold, taken up, transferred, delivered or distributed, directly or indirectly, within the United States except in reliance on an exemption from the registration requirements of the US Securities Act of 1933 and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act of 1933 as amended, is available and, subject to certain exceptions, neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire any New Ordinary Shares in the United States. Subject to certain exceptions, neither this document nor an Application Form will be sent to, and no New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain exceptions, Application Forms sent from or postmarked in the United States will be deemed to be invalid and all persons acquiring New Ordinary

Shares and wishing to hold such New Ordinary Shares in registered form must provide an address for registration of the New Ordinary Shares issued upon exercise thereof outside the United States.

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a nondiscretionary basis in the United States or any state of the United States. The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such New Ordinary Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company and Allenby reserve the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States in respect of the New Ordinary Shares.

In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the Placing, the Subscription and the Open Offer) may violate the registration requirements of the US Securities Act of 1933 as amended.

6.3 ***Restricted Jurisdictions***

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

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

No offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

6.4 ***Other overseas territories***

Application Forms will be sent to Qualifying non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, 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 in respect of the Open Offer.

6.5 **Representations and warranties relating to Overseas Shareholders**

(a) *Qualifying non-CREST Shareholders*

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, Allenby and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any other 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 in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis 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 with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or despatched from the United States or any other 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 the United States or any other Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this subparagraph (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 III: "Terms and Conditions of the Open Offer" represents and warrants to the Company and Allenby that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any other Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Allenby in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form.

Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. **OPEN OFFER ADMISSION, SETTLEMENT AND DEALINGS**

The result of the Open Offer is expected to be announced by 14 September 2023. Applications will be made to AIM for the Open Offer Shares to be admitted to trading on AIM. It is expected that Second Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 29 September 2023.

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

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 13 September 2023 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On 31 August 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 Second Admission (expected to be 29 September 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 Excess CREST 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 any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied (including excess Open Offer Shares successfully applied for under the Excess Application Facility) for are expected to be despatched by post by 13 October 2023. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register 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 Shareholders are referred to paragraph 4.1 above and their respective Application Form.

8. TIMES AND DATES

The Company shall, in agreement with Allenby and after consultation with its financial and legal advisers, be entitled to amend the dates that 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 notify AIM, and make an announcement on a Regulatory Information Service approved by AIM and, if appropriate, by Shareholders but Qualifying Shareholders may not receive any further written communication.

9. FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

10. 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, English law. The courts of England and Wales 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. By taking up Open Offer Shares, whether by way of their Open Offer Entitlement or through the Excess Application Facility (as applicable), 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 Wales 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.

PART IV:

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV: "Questions and Answers about the Open Offer" are intended to be in general terms only and, as such, you should read Part III: "Terms and Conditions of the Open Offer" 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, fund manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under the FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part III: "Terms and Conditions of the Open Offer" 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 Entitlements. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read Part III "Terms and Conditions of the Open Offer" 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 the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice. Each prospective investor should consult his, her or its 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 shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. The fixed 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 Grafenia to Qualifying Shareholders to apply to acquire up to an aggregate of 57,245,414 Open Offer Shares at a price of 8.5 pence per share. If you hold 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 or located in the United States, or any other Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of one Open Offer Share for every two Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

Open Offer Shares are being offered to Qualifying Shareholders at the Issue Price, which represents a discount of approximately 17.1 per cent. to the closing mid-market price per Ordinary Share of 10.25 pence on 25 August 2023, being the last practicable date prior to the announcement of the Fundraising and publication of this Circular.

The Excess Application Facility allows Qualifying Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back *pro rata* to existing shareholdings should the Board agree to do so

and that applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares.

Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded. Shareholders will not be able to apply for any new Ordinary Shares which are the subject of the Placing.

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 or located in the United States or any other Restricted Jurisdiction, 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 30 August 2023 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange Plc).

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 and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Ordinary Shares you held at the Record Date;
- how many Open Offer Shares 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 the United States or any of the other Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares 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 posted, along with a cheque or banker's draft drawn in the appropriate form, in the pre-paid envelope that will accompany the Application Form or returned by post or by hand (during normal office hours only), to the Receiving Agent, Link Group, Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds, LS1 4DL (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 13 September 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 the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when 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 subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 13 September 2023, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the basic entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of the Placing Shares, the Subscription Shares and the Open Offer Shares pursuant to the Placing, the Subscription and the Open Offer (assuming all Open Offer Shares are subscribed for in full).

(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 to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2 and 4 of your Application Form; for example, if you are entitled to take up 500 shares but you only want to take up 250 shares, then you should write '250' in Boxes 2 and 4. 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, '250') by £0.50, which is the price in pounds of each Open Offer Share (giving you an amount of £125 in this example). You should write this amount in Box 5, rounding up to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the pre-paid envelope that accompanies the Application Form or return by post or by hand (during normal office hours only), to the Receiving Agent, Link Group, at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by the Receiving Agent by no later than 11.00 a.m. on 13 September 2023, after which time Application Forms will not be valid.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Link Market Services Limited re: Grafenia Plc – Open Offer 2023 A/C and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands 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 and banker's drafts 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 may not be accepted with the exception of building society cheques or banker's drafts 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 back of 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 or banker's drafts 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 4.1(c) of Part III).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments. 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, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 13 October 2023.

(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 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 or banker's draft for the amount (as indicated in Box 5 of your Application Form), payable to "Link Market Services Limited re: Grafenia Plc – Open Offer 2023 A/C" and crossed "A/C payee only", in the pre-paid envelope that will accompany the Application Form or return by post or by hand (during normal office hours only), to the Receiving Agent, Link Group, at Link Group, Corporate Actions Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by the Receiving Agent by no later than 11.00 a.m. on 13 September 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 or banker's draft made payable to "Link Market Services Limited re: Grafenia Plc – Open Offer 2023 A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands 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 and banker's drafts 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 may not be accepted with the exception of building society cheques or banker's drafts 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 back of 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 or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 13 October 2023.

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

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4.

For example, if you have an Open Offer Entitlement for 500 Open Offer Shares but you want to apply for 750 Open Offer Shares in total, then you should write '500' in Box 6, '250' in Box 3 and '750' in Box 4. 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, '750') by 8.5 pence, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £375 in this example). You should write this amount in Box 5, rounding up to the nearest whole pence. You should then return your Application Form by post or by hand (during normal business hours) to the Receiving Agent, Link Group, at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds, LS1 4DL so as to be received by the Receiving Agent by no later than 11.00 a.m. on 13 September 2023. Within the United Kingdom only, you can use the reply-paid envelope which will be enclosed with the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, and the Board agree to do so, such applications will be scaled back *pro rata* to the number of excess Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you, at your own risk, by no later than 13 October 2023.

5. I HOLD MY EXISTING 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 III: "Terms and Conditions of the Open Offer" 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 (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility provided they choose to

take up their Open Offer Entitlement in full and should contact them should they not receive this information.

6. I ACQUIRED MY EXISTING ORDINARY SHARES PRIOR TO THE RECORD DATE AND HOLD MY EXISTING SHARES IN CERTIFICATED FORM. WHAT 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 are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying Shareholders who held their Existing Ordinary Shares in uncertificated form on 24 August 2023 and who have converted them to certificated form;
- Qualifying Shareholders who bought Existing Ordinary Shares before 24 August 2023 but were not registered as the holders of those shares at the close of business on 30 August 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 Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Difference charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

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 the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the 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 for which 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. The Open Offer Shares have not been placed subject to clawback nor have they been underwritten.

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 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 TO WHICH I AM ENTITLED IS NOT A WHOLE NUMBER: AM I ENTITLED TO FRACTIONS OF OPEN OFFER SHARES?

If the number is not a whole number, you will not receive a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. Fractions will be made available in the Excess Application Facility.

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 shares in Grafenia directly and you sell some or all of your Existing Ordinary Shares before 24 August 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 sell any of your Existing Ordinary Shares on or after 24 August 2023 and before 30 August 2023, you may still take up and apply for the Open Offer Shares 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 or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to "Link Market Services Limited re: Grafenia Plc – Open Offer 2023 A/C" and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands 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 and banker's drafts 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 may not be accepted with the exception of building society cheques or banker's drafts 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 back of 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 or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) may 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 to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in Grafenia will be reduced.

13. I HOLD MY EXISTING ORDINARY SHARES IN CERTIFICATED FORM. WHERE DO I SEND MY APPLICATION FORM?

You should send your completed Application Form in the pre-paid envelope that accompanies the Application Form or return by post or by hand (during normal office hours only), together with the monies in the appropriate form, to: Link Group, at Link Group, Corporate Actions, Central Square, 29 Wellington Street, Leeds, LS1 4DL (who will act as receiving agent in relation to the Open Offer). 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 then you need take no further action.

14. I HOLD MY EXISTING 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 13 September 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 CCSS 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?

It is expected that Link Group will post all new share certificates by 13 October 2023.

17. IF I BUY ORDINARY SHARES AFTER THE RECORD DATE, WILL I BE ELIGIBLE TO PARTICIPATE IN THE OPEN OFFER?

If you bought your Ordinary Shares on or after the ex-entitlement date, you are unlikely to be able to participate in the Open Offer in respect of such Ordinary Shares.

18. WHAT SHOULD I DO IF I LIVE OUTSIDE THE UNITED KINGDOM?

Your ability to apply to acquire Open Offer Shares 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 the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part III: "Terms and Conditions of the Open Offer" of this document.

19. FURTHER ASSISTANCE

Should you require further assistance please contact the Receiving Agent on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

Grafenia plc

(registered in England and Wales with registered number 03983312)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at the offices of Gateley Plc, Ship Canal House, 98 King Street, Manchester M2 4WU on 15 September 2023 at 10 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 3 will be proposed as ordinary resolutions and resolution 4 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

- (1) **THAT**, in substitution for all existing and unexercised authorities and powers, the Directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as “**Relevant Securities**”) up to an aggregate nominal value of £3,659,972.51 to such persons at such times and generally on such terms and conditions as the Directors may determine (subject always to the articles of association of the Company).

PROVIDED THAT this authority shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the Directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

- (2) **THAT** the Share Option Plan (as such term is defined in the circular of the Company dated 29 August 2023 (the **Circular**)) be approved and the Directors be authorised to do all acts and things necessary to bring the same into effect and to grant options under the Share Option Plan to eligible employees and directors (the **Eligible Employees**) as the Directors, acting in their discretion, may determine over ordinary shares of 1p each in the capital of the Company provided that the aggregate number of ordinary shares over which options may be granted under the Share Option Plan, when aggregated with the number of shares subject to other discretionary employee share schemes over shares in the Company, shall not exceed 5% of the issued ordinary share capital of the Company.
- (3) **THAT** the CSOP Plan (as such term is defined in the Circular) be approved and the Directors be authorised to do all such acts and things necessary to bring the same into effect and to grant options under the CSOP Plan to such Eligible Employees as the Directors, acting in their discretion, may determine over ordinary shares of 1p each of the Company provided that the aggregate number of ordinary shares over which options may be granted under the CSOP Plan, when aggregated with the number of shares subject to other discretionary employee share schemes over shares in the Company, shall not exceed 5% of the issued ordinary shares of the Company.

SPECIAL RESOLUTION

- (4) **THAT**, subject to and conditional upon the passing of resolution 1 and in substitution for all existing and unexercised authorities and powers, the Directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred upon them by resolution 1 as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:
- (a) the allotment, in aggregate, of 327,833,642 ordinary shares of 1p each in the capital of the Company in connection with the Placing, the Subscription and the Open Offer (as such terms are defined in the Circular);
 - (b) the allotment of equity securities in connection with a rights issue or similar offer in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in any, territory; and
 - (c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £114,490.83, representing approximately 10 per cent. of the share capital of the Company

and shall expire at the conclusion of the next Annual General Meeting or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

By order of the Board

Richard Lightfoot
Company Secretary

Registered office:
Focal Point
Third Avenue
The Village
Trafford Park
Manchester
M17 1FG

Dated: 29 August 2023

Notes:

1. A member of the Company entitled to attend and vote at the General Meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. A proxy may only be appointed using the procedures set out in these notes and the notes to the proxy form. In order for a proxy appointment to be valid, a proxy form must be completed. In each case the proxy form must be received by the Company's Receiving Agent, Link Group at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL no later than 10 a.m. on 13 September 2023. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be enclosed with the proxy form.
3. In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's Receiving Agent, Link Group at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL by 10 a.m. on 13 September 2023.
4. The Company specifies that only those Shareholders of the Company on the register at close of business on 24 August 2023 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
5. Members can vote either:
 - 5.1 by logging on to www.signalshares.com and following the instructions;

- 5.2 via the LinkVote+ app which allows users to submit a proxy appointment online and is available to download on the Apple App Store and Google Play; or
- 5.3 by requesting a hard copy form of proxy directly from the Company's registrars, Link Group on Tel: +44 (0) 371 664 0300. 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. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales); or
- 5.4 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so in relation to the meeting, and any adjournment(s) of that meeting, by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's Receiving Agent, Link Group (whose CREST ID is RA10) at PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL by the latest time for receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's Receiving Agent is able to retrieve the message by enquiry to CREST in the manner prescribed. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. Institutional investors may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Receiving Agent. For further information regarding Proxymity, please go to www.proxymity.io. Proxies must be lodged by the latest time for receipt of proxy appointments specified in note 2 above in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
8. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.
9. Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's Receiving Agent prior to the commencement of the meeting.

