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If you sell or transfer or have sold or otherwise transferred all of your Ordinary Shares in FireAngel Safety Technology Group plc (the “Company”) before 29 March 2019 (being the date when the Existing Ordinary Shares were marked ‘ex’ entitlement to the Open Offer), please send this document, but not any accompanying Application Form (and accompanying reply-paid envelope (for use within the UK only)) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the UK if to do so would constitute a violation of the relevant law and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the information regarding split applications contained in the Application Form (if relevant).

The total consideration under the Open Offer is less than €8 million (or an equivalent Pounds Sterling amount) in aggregate. Therefore, in accordance with section 85 and Schedule 11A of FSMA, the Open Offer does not require the issue of a prospectus for the purposes of the Prospectus Rules. The Placing Shares are only available to qualified investors for the purposes of the Prospectus Directive or otherwise in circumstances not resulting in an offer of transferable securities to the public under section 102B of FSMA. Therefore, neither the Placing nor the Open Offer constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and accordingly this document does not constitute a prospectus for the purposes of the Prospectus Rules and, accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority (“FCA”) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body, and has not been approved for the purposes of section 21 of FSMA.

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

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. It is expected that admission of the New Ordinary Shares will become effective, and that dealings on AIM will commence, at 8.00 a.m. on 17 April 2019.

FIREANGEL SAFETY TECHNOLOGY GROUP PLC

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

Open Offer of up to 30,034,661 New Ordinary Shares and Placing of New Ordinary Shares at 20 pence per New Ordinary Share

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

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 16 April 2019. The procedure for acceptance and payment is set out in Part 3 of this document and, where relevant and appropriate, in the Application Form.

Qualifying Non-CREST Shareholders will find an Application Form enclosed with this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement which will be enabled for settlement on 1 April 2019.

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

If the Open Offer Entitlements are for any reason not enabled by 11.00 a.m. on 1 April 2019 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 their Open Offer Entitlement credited to their stock account in CREST. Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors regarding the action to be taken in connection with this document and the Open Offer. The Application Form is personal to Qualifying Non-CREST Shareholders and cannot be transferred, sold, or assigned except to satisfy *bona fide* market claims.

The latest time for acceptance and payment under the Open Offer is 11.00 a.m. on 16 April 2019. The procedure for application is set out in Part 3 of this document and, in respect of the Qualifying Non-CREST Shareholders, the Application Form.

The New Ordinary Shares described in this document have not been, and will not be, registered under the US Securities Act 1933 (as amended) (“**Securities Act**”) or under the securities laws of any state of the United States. The New Ordinary Shares are being offered outside of the United States in “offshore transactions” pursuant to Regulation S of the Securities Act and neither the New Ordinary

Shares, the Open Offer Entitlement nor the Application Form may be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

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

All persons, including nominees, custodians and trustees, must observe these restrictions and may not send or distribute this document into the United States or any other Restricted Jurisdiction.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, New Zealand, the Republic of South Africa, Japan or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Stockdale Securities Limited ("**Stockdale**"), which is authorised and regulated in the UK by the FCA, is acting as nominated adviser and broker to the Company in connection with the matters described in this document and is not acting for any other persons in relation to the Fundraising and Admission. Stockdale is acting exclusively for the Company and for no one else in relation to the contents of this document and persons receiving this document should note that Stockdale will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stockdale or for advising any other person on the arrangements described in this document. Stockdale has not authorised the contents of, or any part of, this document and/or the Application Form and no liability whatsoever is accepted by Stockdale for the accuracy of any information or opinions contained in this document and/or the Application Form or for the omission of any information. The responsibilities of Stockdale as the Company's nominated adviser and broker under the AIM Rules for Companies and the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person in respect of his decision to acquire shares in the capital of the Company in reliance on any part of this document and/or the Application Form, or otherwise. No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

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

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

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

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

Notwithstanding the Target Market Assessment, Placees should note that: the price of the Placing Shares may decline and Placees could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with Placees who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Stockdale will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each Placee is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	John Conoley (<i>Non-Executive Chairman</i>) Neil Smith (<i>Group Chief Executive</i>) Graham Whitworth (<i>Executive Director</i>) Nicholas (“Nick”) Rutter (<i>Chief Product Officer</i>) Michael (“Mike”) Stilwell (<i>Group Finance Director</i>) William Payne (<i>Non-Executive Director and Senior Independent Director</i>) Ashley Silverton (<i>Non-Executive Director</i>) John Shepherd (<i>Non-Executive Director</i>)
Company Secretary	William Payne
Registered Office	Vanguard Centre Sir William Lyons Road Coventry CV4 7EZ
Nominated Adviser and Broker	Stockdale Securities Limited 100 Wood Street London EC2V 7AN
Legal Advisers to the Company	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Legal Advisers to Stockdale	Walker Morris LLP Kings Court 12 King St Leeds LS1 2HL
Registrars and Receiving Agent	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Company website	www.fireangeltech.com

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	6.00 p.m. on 28 March 2019
Announcement of the Fundraising	29 March 2019
Ex-entitlement date for the Open Offer	8.00 a.m. on 29 March 2019
Posting of this document and, to Qualifying Non-CREST Shareholders only, the Application Form	29 March 2019
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders	1 April 2019
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 10 April 2019
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 11 April 2019
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 12 April 2019
Latest time and date for receipt of completed Application Forms from Qualifying Non-CREST Shareholders and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 16 April 2019
Announcement of the result of the Open Offer	17 April 2019
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 17 April 2019
CREST Members' accounts expected to be credited in respect of New Ordinary Shares in uncertificated form	17 April 2019
Expected despatch of definitive share certificates for New Ordinary Shares in certificated form	by 3 May 2019

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a RIS.
2. All of the above times refer to London time unless otherwise stated.

ISSUE STATISTICS

Closing Price per Ordinary Share ⁽¹⁾	19 pence
Basis of Open Offer	17 Open Offer Share for every 26 Existing Ordinary Shares ⁽⁵⁾
Issue Price per New Ordinary Share	20 pence
Premium to Closing Price per Ordinary Share ⁽¹⁾	5.5 per cent.
Number of Ordinary Shares in issue as at the date of this document ⁽²⁾	45,935,365
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Fundraising ⁽³⁾	30,034,661
Maximum number of Ordinary Shares in issue immediately following Admission ⁽³⁾	75,970,026
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following Admission ⁽⁴⁾	39.5 per cent.
Estimated net proceeds of the Fundraising ⁽⁴⁾	£5.5 million
Ordinary Share ISIN	GB0030508757
SEDOL	3050875
Open Offer Entitlements ISIN	GB00BJSF1P17

Notes:

1. Closing Price on 28 March 2019, being the last Business Day prior to the announcement of the Fundraising.
2. As at 28 March 2019, being the last Business Day prior to publication of this document.
3. Assuming the Placing is fully subscribed and assuming successful applications are received for all available Open Offer Shares.
4. Based on the estimated expenses of the Fundraising and assuming successful applications are received for all available Open Offer Shares, the Placing is fully subscribed and no further New Ordinary Shares are issued as a result of the exercise of any options or awards vesting under any share schemes of the Company.
5. Fractions of Open Offer Shares will not be allotted to Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of Open Offer Shares.

PART 1

LETTER FROM THE CHAIRMAN

FireAngel Safety Technology Group plc

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

Directors:

John Conoley (*Non-Executive Chairman*)
Neil Smith (*Group Chief Executive*)
Graham Whitworth (*Executive Director*)
Nicholas ("Nick") Rutter (*Chief Product Officer*)
Michael ("Mike") Stilwell (*Group Finance Director*)
William Payne (*Non-Executive Director and Senior Independent Director*)
Ashley Silverton (*Non-Executive Director*)
John Shepherd (*Non-Executive Director*)

Registered Office:

Vanguard Centre
Sir William Lyons Road
Coventry
CV4 7EZ

29 March 2019

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

Dear Shareholder,

**Open Offer of up to 30,034,661 New Ordinary Shares
and
Placing of New Ordinary Shares
at 20 pence per New Ordinary Share**

1. Introduction

Earlier today, the Company announced that it was proposing to undertake an Open Offer to raise approximately £6.0 million, on the basis of 17 Open Offer Shares for every 26 Existing Ordinary Shares held on the Record Date, at an issue price of 20 pence per New Ordinary Share. In addition, the Company announced that it had conditionally raised £6.0 million (before expenses) by means of a Placing with an existing Shareholder and another investor of 30,000,000 New Ordinary Shares at an issue price of 20 pence per New Ordinary Share, subject to clawback under the Open Offer. It should be noted that New Ordinary Shares will only be issued pursuant to the Placing if and to the extent that the Open Offer is not subscribed in full by holders of Existing Ordinary Shares and will result in a maximum of 30,034,661 New Ordinary Shares being issued pursuant to the Fundraising. Furthermore, the Open Offer is not conditional on completion of the Placing.

The Issue Price of 20 pence represents a premium of approximately 5.5 per cent. to the Closing Price on 28 March 2019, being the last Business Day prior to the announcement of the Fundraising. The Fundraising is conditional on, *inter alia*, Admission becoming effective by no later than 8.00 a.m. on 17 April 2019 (or such other time and/or date, being no later than 1 May 2019, as the Company and Stockdale may agree). It is expected that the New Ordinary Shares will be admitted to trading on AIM on or around 8.00 a.m. on 17 April 2019.

The purpose of this document is to set out the reasons for, and provide further information on, the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole. In support of the Company's proposals, the Directors intend to participate in the Open Offer in respect of a total of 894,805 New Ordinary Shares, as set out further in paragraph 7 of this letter.

2. Background to, and reasons for, the Fundraising

Earlier today, the Company announced its audited final results for the year ended 31 December 2018, details of which are set out in paragraph 4 below.

The Board acknowledges the regrettably poor results for the year ended 31 December 2018 with the Group recording an underlying loss on its operations and incurring substantial further one-off costs. The three principal reasons for this are as follows:

1. *Lower than anticipated sales into Europe*

Revenue was severely impacted by overstocking in the German trade sector. In addition, the change in mix with reduced German trade sales as a proportion of total revenue led to a decline in the overall gross margin achieved.

2. *BRK Settlement Agreement*

As announced on 10 May 2018, FireAngel signed a settlement agreement (the “**Settlement Agreement**”) with BRK in full and final settlement of all matters between the parties, including by way of the termination of the distribution agreement dated 7 April 2010 which was extended by both parties for a further three years from 1 April 2015. As a result, the Group booked a £3.8 million exceptional charge in its final results for the year ended 31 December 2017. However, dealing with and concluding the Settlement Agreement proved to be a significant management distraction away from execution of the Group’s strategy.

Termination of the distribution agreement with BRK reduced the Group’s £2.9 million annual distribution fee commitment to BRK to £0.9 million in 2018 (and which fee will no longer be payable in future following termination of the arrangements). However, this benefit was eroded by the sale of BRK products at reduced selling prices to clear the stock which the Group held prior to the end of the agreement. This detrimentally impacted margin and served to cannibalise sales of the Group’s own FireAngel products.

3. *New sourcing arrangements in the supply chain*

In 2017’s Annual Report, the Company confirmed that Flex in Poland had commenced manufacture of the Group’s products and that a new Far East based supplier had commenced supply of alternatives to the BRK/First Alert products. Significant time and resource was invested in planning to ensure that the business was ready for this transition. However, despite a thorough migration process, short-term delays in reaching production capacity and efficiency have impacted both the availability of product and the product cost in the second half of the year.

3. Strategy and Current Trading

The Board believes that the product roadmap is strong with a mix of value-added enhancements to the Group’s current range as well as step change innovation, such as the new unique FireAngel Predict™. The Board’s focus now is to ensure that the investments made in research and development are reflected in increased revenues. In March 2019, the Company appointed Andy Gregg as Operations Director primarily responsible for driving the Group’s agenda with its manufacturing partners as well as the technical and new product introduction teams. Andy joins the Group with a track record of delivering results having previously held senior positions within Bentley and Aston Martin. This appointment enables Nick Rutter, the Company’s Chief Product Officer, to focus on the deployment and sales of connected home solutions.

The Board believes that the termination of the Group’s relationship with BRK, and the transition of manufacturing to Flex and the Group’s Far East partner, has successfully reset the direction of the Group in line with the Board’s objectives.

Whilst acceptable production yields and capacity have been achieved at Flex, the focus in the short term for both parties is to improve process efficiency to reduce the costs of production. The Board is confident that Flex remains the right partner to support the Group’s strategic objective of developing technology which provides customers with innovative and market-leading products and solutions.

The current pipeline for new connected product launches planned for this year has given the Board confidence to expect a significant contribution to revenue from connected solutions in 2019 and beyond. To support this, steps have been taken to align the Group's focus and resources to best achieve this ambition. The role of Nick Rutter, the Group's Chief Product Officer and a founder of the business, has been redefined to now directly focus on connected home sales and pipeline development. To take advantage of the technology deliverables, the Group has also commenced a review of the structure, processes and skills within the business to ensure that these are appropriate and optimally aligned to deliver its core smoke and CO products, together with connected propositions.

Together with its focused investment in product development, these changes are expected to position the Group to meet the growing demand for its core product and connected solutions through its unique, patented technologies, expertise and strong brand. The Board fully expects connectivity and interoperability between devices with external monitoring and messaging to be at the heart of medium to longer-term growth and profitability.

Sales in the first three months of 2019 are ahead of the Group's budget, with healthy growth seen particularly in the German market. Sales to the Group's distributor to the German market are benefitting from the move away from bonded sales at the end of 2018. The Group has also announced a number of contract wins either side of the year end linked to the requirement for greater safety standards introduced in the Housing (Scotland) Act, which came into force on 1 February 2019.

The Board has already taken steps to reduce the cost base and has identified a range of opportunities to improve performance, including reducing stock levels, improving gross margin, rationalisation of sales propositions and better sales organisation.

Whilst the Board is disappointed with 2018's financial performance, it remains confident that the Group's transition from a pure standalone hardware safety products supplier to a provider of connected safety solutions will underpin strong medium to longer-term growth and profitability.

Finally, the Company has agreed with its bankers to move from its existing revolving credit facility to a more efficient invoice discounting and overdraft facility to better reflect the needs of the Group.

4. Audited final results for the year ended 31 December 2018

Earlier today, the Company announced its audited final results for the year ended 31 December 2018. The Group reported an underlying loss before tax¹ of £2.1 million (2017: profit of £4.7 million) on revenue of £37.6 million (2017: £54.3 million). After charging £3.8 million for exceptional costs and share-based payment charges (further details of which are set out below), the consolidated loss before tax was £5.9 million (2017: profit of £0.5 million). The adjusted gross profit² decreased from £18.0 million to £9.7 million and represented an adjusted gross margin² of 25.7 per cent. (2017: 33.1 per cent.).

Exceptional charges totalling £3.7 million (2017: £3.8 million) were made in the year as follows:

- Provision against stock originally purchased for the French market and disposal costs (£1.1 million);
- Incremental production ramp up costs (£0.9 million) due to delays in reaching full production capacity and pricing expectations at the Group's smoke alarm and connected devices manufacturing partner; and
- Restructure of distribution channels (£1.7 million) executing the Group's previously announced strategy to transition from a hardware safety products provider to a more integrated safety solutions provider. The Group has taken action to move from a traditional distributor model to more value-added reseller partnerships in its German distribution channel for both its core and connected product ranges.

1 Underlying loss before tax in 2018 of £2.1 million is before exceptional charges of £3.7 million (further details of which are set out below) and a share-based payments charge of £0.1 million (2017: underlying profit before tax of £4.7 million before an exceptional charge for the settlement agreement with BRK of £3.8 million and a share-based payments charge of £0.4 million).

2 Adjusted gross profit is stated before the BRK distribution fee of £0.9 million (2017: £2.9 million) and before the exceptional charge for the stock and disposal provision of £1.1 million (2017: exceptional charge for BRK settlement of £3.8 million). Adjusted gross margin is adjusted gross profit as a percentage of revenue.

Net debt at 31 December 2018 was £4.4 million (2017: net cash £3.3 million). Since the year end, the Group and HSBC have agreed to move from a revolving credit facility to a more efficient invoice discounting and overdraft facility.

5. Information on the Fundraising

Earlier today, the Company announced that it was proposing to undertake an Open Offer to raise approximately £6.0 million, on the basis of 17 Open Offer Shares for every 26 Existing Ordinary Shares held on the Record Date, at an issue price of 20 pence per New Ordinary Share. In addition, the Company announced that it had conditionally raised £6.0 million (before expenses) by means of a Placing with an existing Shareholder and another investor of 30,000,000 New Ordinary Shares at an issue price of 20 pence per New Ordinary Share, subject to clawback under the Open Offer. The New Ordinary Shares will represent, in aggregate, 39.5 per cent. of the Enlarged Share Capital, at an issue price of 20 pence per New Ordinary Share.

The Issue Price of 20 pence per New Ordinary Share represents a premium of 5.5 per cent. to the Closing Price of 19 pence on 28 March 2019, being the last Business Day prior to the announcement of the Fundraising.

The Placing is not being underwritten. The Fundraising is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 17 April 2019 (or such later time and/or date, being no later than 1 May 2019, as the Company and Stockdale may agree).

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

A Qualifying Non-CREST Shareholder who has sold or transferred all or part of their holding of Existing Ordinary Shares prior to 29 March 2019, being the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, should consult their 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 8 on the Application Form and as soon as possible send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, subject to certain exceptions, be forwarded to or transmitted in or into a Restricted Jurisdiction.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of the Ordinary Shares following Admission. It is expected that such Admission will become effective and that dealings on AIM will commence at 8.00 a.m. on 17 April 2019.

6. Use of net proceeds

The net proceeds of the Fundraising are expected to be approximately £5.5 million. It is proposed that such proceeds will be used as follows:

- to reduce indebtedness;
- for investment in the Company's Connected Homes proposition; and
- for working capital purposes.

7. Directors' participation in the Open Offer

Each of Neil Smith (*Group Chief Executive*), William Payne (*Non-Executive Director*) and Ashley Silverton (*Non-Executive Director*) has irrevocably undertaken to subscribe for his Open Offer Entitlement being, in aggregate, 94,805 Open Offer Shares and Nick Rutter (*Chief Product Officer*) has irrevocably undertaken to subscribe for 800,000 Open Offer Shares. Each of Graham Whitworth (*Executive Director*) and John

Shepherd (*Non-Executive Director*) has irrevocably undertaken not to subscribe for his Open Offer Entitlement being, in aggregate, 2,213,268 Open Offer Shares.

As such, the above Directors have irrevocably undertaken to subscribe for 894,805 Open Offer Shares, representing approximately 2.98 per cent. of the Open Offer Shares.

8. Related Party Transaction

Client funds of Downing LLP have agreed to subscribe for 17,750,000 Placing Shares. As at the date of this document, client funds of Downing LLP hold 4,930,874 Existing Ordinary Shares representing approximately 10.7 per cent. of the Existing Ordinary Shares. As such, client funds of Downing LLP are a substantial shareholder of the Company and their participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's nominated adviser, Stockdale, that the terms of client funds of Downing LLP's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

9. Details of the Open Offer

Open Offer Entitlement

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

17 Open Offer Shares for every 26 Existing Ordinary Shares

held by them and registered in their names on the Record Date, rounded down to the nearest whole number of Open Offer Shares. Qualifying Shareholders may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement.

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

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

Application has been made for the Open Offer Entitlements of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements will be admitted to CREST on 1 April 2019.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and, for Non-CREST Qualifying Shareholders, on the accompanying Application Form. To be valid, Application Forms or CREST instructions (duly completed) and payment in full for the Open Offer Shares applied for must be received by the Receiving Agent **by no later than 11.00 a.m. on 16 April 2019**. Application Forms should be returned to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by such time.

It is expected that Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements on 1 April 2019.

If Admission does not occur on or before 8.00 a.m. on 17 April 2019 (or such later time and date as the Company may determine, being not later than 1 May 2019), the Open Offer will not become unconditional and application monies will be returned to applicants, without interest, as soon as practicable thereafter.

10. Overseas Shareholders

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

In particular, Qualifying Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than the UK (including without limitation any Restricted Jurisdiction), should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements under the Open Offer.

11. Dilution resulting from the Fundraising

Following the issue of New Ordinary Shares to be allotted pursuant to the Fundraising, Shareholders who take up their Open Offer Entitlements in full will not suffer any dilution to their interests in the Company as a result of the Fundraising.

Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 65 per cent. to their interests in the Company as a result of the Fundraising.

12. The City Code

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

This requirement would also be triggered by any acquisition of New Ordinary Shares and/or interest therein by a person holding (together with its concert parties) Ordinary Shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition was to increase that person's percentage of the total voting rights of the Company.

13. Placing Agreement

Under a placing agreement entered into between the Company and Stockdale, Stockdale has conditionally agreed to act as placing agent to the Company and to use reasonable endeavours to procure Placees to subscribe for the Placing Shares at the Issue Price. The Placing Shares have been placed with Placees subject to clawback under the Open Offer. The Placing Agreement sets out the conditions relating to the Placing.

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

- (a) Admission taking place no later than 8.00 a.m. on 17 April 2019;
- (b) there being no breach of warranty in the Placing Agreement prior to Admission; and
- (c) the performance by the Company of its obligations under the Placing Agreement and/or other terms of or conditions to the Placing prior to Admission.

The Placing Agreement contains certain customary warranties from the Company in favour of Stockdale in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the Company has given certain undertakings to Stockdale and has agreed to indemnify Stockdale in relation to certain customary liabilities they may incur in respect of the Fundraising. Stockdale has the right to terminate the Placing Agreement in certain circumstances

prior to Admission including, *inter alia*: (i) for certain force majeure events or other events involving certain material adverse changes or prospective material adverse changes relating to the Group; or (ii) in the event of a breach of the warranties or other obligations of the Company set out in the Placing Agreement.

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

14. Additional information

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

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

Yours faithfully,

John Conoley
Chairman

PART 2

RISK FACTORS

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

Prospective investors and Shareholders should carefully consider the risks described below before making a decision to invest in the Company. This Part 2 contains what the Directors believe to be the principal risk factors associated with an investment in the Company. However, the risks listed do not purport to be an exhaustive summary of the risks affecting the Group and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors or which the Directors currently deem immaterial may also have an adverse effect on the Group. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

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

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

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

Forward-looking statements

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

with regard thereto or any change in events, conditions or circumstances on which any such statement is based). As a result of these factors, the events described in the forward looking statements in this document may not occur. Prospective investors and Shareholders should be aware that these statements are estimates, reflecting only the judgement of the Company's management and prospective investors and Shareholders should not rely on any forward-looking statements.

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

Risks factors relating to the Company

Product prices from the Group's primary smoke alarm and connected products manufacturer cannot be reduced

The relationship with the Group's primary smoke alarm and connected products manufacturer is relatively new. Whilst progress has been made in increasing production yield and volumes, such that output is now expected to meet forecast demand for 2019, there remain challenges in levels of utilisation and efficiency in the manufacturing process which is impacting product costing in the short term. Whilst the Group's supply chain and technical teams are working with its primary manufacturing partner to ensure that efficiency is improved to reduce the future costs of production, if such challenges remain, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Exchange rate risk

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

Distributor relationships

The Group works with third party distributors of its products in Continental Europe who own the key customer relationships and undertake marketing support activities to drive revenue in the markets they serve. The Group is dependent upon these distributors to fulfill these roles in an effective and efficient manner to continue to grow sales in these jurisdictions. Given the significant concentration of sales through a small number of distributors, the Group closely monitors sales by the third-party distributors. From time to time, the Group has financially supported its distributors with extensions to payment terms.

Product warranty risk

Each year, the number of the Group's smoke and carbon monoxide products in the market increases and it is inevitable, given the technology-content of the Group's products, that despite best efforts to produce a

product with zero defects, from time to time the Group will experience product warranty issues. Products are designed to 'fail safe' so that if it is not working, it is designed to alert the user that it requires attention. Many products have a ten-year life and if product issues do emerge, it is not unusual to experience the same product issues over a number of years. If a product fails, the Group's liability is governed by the contractual agreement with its immediate customer which may include the provision of a replacement product. If the defect relates to the design of the product, the Group has insurance in place against potential claims but not the cost of replacing products in the market place. A manufacturing defect may not be covered by the Group's suppliers' insurance in all circumstances. The cost to the Group of any product issued with a design defect would extend beyond the cost of any specific claims brought against it, including potentially swapping products out in the market place or in the worst case, a product recall. The cost of potentially replacing defective units already distributed and the reputational impact that could occur at product, brand and Group level would be significant.

UK's exit from the European Union

The UK Parliament voted in favour of triggering Article 50, and on 29 March 2017, the UK Government duly gave the requisite notice, initiating a two-year process for Britain to leave the EU (which has now subsequently been extended). The Board has taken steps to prepare for Britain leaving the EU. These actions include setting up a dedicated cross-functional project team; reviewing all imports and exports by country with visibility maps of supply routes; considering the impact of potential changes on the Group's strategic objectives; reviewing warehouse locations and logistics procedures; registering for appropriate VAT and customs procedures; and assessing the potential cash impact of tariffs and new arrangements.

The extent of the impact would depend in part on the nature of the arrangements that are put in place between the UK and the European Union following Brexit and the extent to which the UK continues to apply laws that are based on European Union legislation. However the Group's primary manufacturing partner for smoke, heat and accessory products is based in Poland, and Poland has not adopted the euro (notwithstanding it has been a full member of the EU since 2004). Should the import duty regime change following the UK's exit from the EU, the Group would review the import duty arrangements and adjust its product pricing accordingly.

The general speculation and concern surrounding how and when the UK will leave the European Union has also caused uncertainty in the market which may damage confidence. Due to this, the macroeconomic effect of Brexit on the Group's business is unknown. As such, it is not possible to state the impact that Brexit would have either on the Company or the Group as a whole and whether such impact would positively or adversely affect the business. Any of these risks could have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

Competition risk

Several home safety product companies are considered to be direct competitors of the Group. These companies vary in the relative strength of their product offering. As competitors launch new products, the Group's prospects may be impacted which could either reduce or enhance the Group's product sales. The Group, in part to mitigate against this competitive threat, continues to commit significant resources to research and development, as it has done since foundation. It cannot, however, be guaranteed that the Group will be able to succeed in developing new products that can compete head-on with competitors' products.

Changing trends in the market

The introduction of connected home products and solutions with companies seeking to connect and monitor products in the home via the internet could potentially reduce the popularity of the Group's standalone safety product range. The Group is selling its own connected home solutions products and is increasing its investment in technology and products which connect to the internet. The Group continues to invest in product technology to reduce the cost of connected home solutions and to ensure that they are products of choice for the Group's customers.

It is possible that new products and technologies may emerge in the future as more viable alternatives to the Group's products. The Group dedicates significant resources to product research and development to keep the business and its products at the forefront of technology. The Group seeks to stay abreast of emerging market trends to position the Group to exploit and commercialise such technologies as they

appear. The Group regularly reviews other technologies to ensure that it has the right technology and engineering capability in-house.

However, there can be no guarantees that new products, modifications or services will be successfully developed or, if developed, successfully sold to customers. This could affect the growth of the Group's future revenues and profits.

Intellectual property risk

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

The Group's principal protection in the market lies in its business model rather than through any specific intellectual property rights. The breadth of the Group's product range and its ability to add new products and leverage its brands across the markets it serves represents a significant barrier to entry to competitors. The Group is not dependent on any one single patent for sales. The Group's products are protected by over 50 granted patents in its major markets and the Group continues to register new patents to protect its IP where the Group believes it is appropriate to do so.

Notwithstanding this, any failure to protect or successfully defend the Group's Intellectual Property may result in another party copying or otherwise obtaining and using its proprietary technology or other Intellectual Property without authorisation. There may not be adequate protection for the Intellectual Property in every country in which the Group's products are sold and policing unauthorised use of proprietary information is difficult and expensive. The Group cannot guarantee that it will be able to detect and prevent infringement of its Intellectual Property but would rigorously defend its Intellectual Property if it believed it was being infringed.

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

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

Staff recruitment and retention risk

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

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

International trade regulations

The Group's activities involve the import and export of products. Any changes in the regulations covering such movements might impact the Group's trading activities. Increasing geographical reach and continual expansion of the Group's customer base, particularly into Continental Europe, exposes the Group to a

potentially wider set of regulatory restrictions. Risks associated with Brexit are described as a separate risk above. If the Group is unable to comply with, or react quickly enough to, any new regulation introduced, or changes made to existing regulations, it may lose customers, find it more difficult to win new customers or, in the worst case, lose the ability to distribute products into certain jurisdictions resulting in lost sales and profits.

Health and safety risk

As the Group's product range expands, the risk of non-compliance with health and safety regulations increases. The Group handles products with low levels of radioactive particles in the 'foils' contained within ionisation alarms which were historically sold in the UK. Changes to product design mean that products incorporating radioactive particles are no longer sold.

Product certification compliance

Products are required to comply with the appropriate certification standards. If products do not comply, certification bodies could insist on quarantining product for further testing, rework, or, in extreme situations, a recall. This could affect the growth of the Group's future revenues and profits.

Payment of dividends will be dependent on results, financial condition and restrictions

The Group's future payment of dividends will be a decision of the Board. Under the Companies Act, a company can only pay cash dividends to the extent that it has distributable reserves and cash available for this purpose. As a holding company, the Company's results of operations and financial condition are dependent on the trading performance of members of the Group. The Company's ability to pay dividends in the future will depend on the level of distributions, if any, received from its subsidiaries, the progress of the Group's business, its ability to be profitable in future, availability of distributable reserves and cash received from subsidiaries. Certain of the Group's operating subsidiaries may, from time to time, be subject to restrictions on their ability to pay dividends or distributions to the Company and there can be no assurance that such restrictions will not have a material adverse effect on the Group's business, financial condition or results of operations. This could limit the payment of dividends and other distributions to the Company by its subsidiaries, which could in turn restrict the Company's ability to pay a dividend to holders of the Ordinary Shares.

Risks factors relating to the Fundraising

Dilution

Shareholders not participating in the Open Offer will experience dilution in their proportionate ownership and voting interest in the Company as a result of the Fundraising. Subject to certain exceptions, Shareholders in Restricted Jurisdictions will not be able to participate in the Open Offer.

Valuation of shares

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

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Group, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

In addition, if the stock market in general experiences loss of investor confidence, the trading price of the Ordinary Shares could decline for reasons unrelated to the Group's business, financial condition or operating results. The trading price of the Ordinary Shares might also decline in reaction to events that affect other

companies in the industry, even if such events do not directly affect the Group. Each of these factors, among others, could harm the value of the Ordinary Shares.

Market perception

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

General investment risks

Investment risk and AIM

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

Legislation and tax

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

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

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

PART 3

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in Part 1 of this document, the Company proposes to issue up to 30,034,661 Open Offer Shares at the Issue Price in order to raise approximately £6.0 million (before expenses) by way of the Open Offer.

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. There will be no more than 30,034,661 Open Offer Shares issued under the Open Offer.

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

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 29 March 2019, when the Existing Ordinary Shares are marked “ex” the entitlement to the Open Offer, is advised to consult his 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 by the purchaser(s) under the rules of the London Stock Exchange.

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

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

2. The Open Offer

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

17 Open Offer Shares for every 26 Existing Ordinary Shares

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

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements. Qualifying Shareholders with fewer than 26 Existing Ordinary Shares will not be able to apply for Open Offer Shares. Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish.

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

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

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

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer is 30,000,000 Open Offer Shares.

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

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 29 March 2019 is advised to consult his 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 by the purchaser(s) under the rules of the London Stock Exchange.

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

Application will be made for the Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Open Offer Entitlements are expected to be admitted to CREST with effect from 1 April 2019.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares and the Placing Shares. 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, *inter alia*, upon Admission becoming effective by not later than 8.00 a.m. on 17 April 2019 (or such later time and/or date as may be agreed between the Company and Stockdale may determine, but being no later than 8.00 a.m. on 1 May 2019).

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 17 April 2019 (or such later time and/or date as may be determined by the Company but, being no later than 8.00 a.m. on 1 May 2019), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form no later than 3 May 2019. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST on 17 April 2019.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 17 April 2019, when dealings in the Open Offer Shares are expected to begin.

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

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

4. Procedure for application and payment

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

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

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

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

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

(a) General

Subject as provided in paragraph 6 of this Part 3 in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the number of Open Offer Shares which represents their Open Offer Entitlement under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them set out in Box 4. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlement in full. Qualifying Non-CREST Shareholders wishing to take up their Open Offer Entitlement in full should complete Boxes 6 and 7 and then sign where indicated in Box 2 or in Box 9 (as applicable).

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Non-CREST Shareholders' Open Offer Entitlements. Any Qualifying Non-CREST Shareholders with fewer than 26 Existing Ordinary Shares will not receive an Open Offer Entitlement. Qualifying Non-CREST Shareholders may apply for less than their Open Offer Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares representing less than their Open Offer Entitlement may do so by completing Boxes 6 and 7 of the Application Form and then sign where indicated in Box 2 or in Box 9 (as applicable). Qualifying Non-CREST Shareholders may hold such an Application Form by virtue of a *bona fide* market claim (see paragraph 4.1(b) of this Part 3).

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

(b) *Bona fide market claims*

Applications to acquire Open Offer Shares 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 12 April 2019. 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 purchaser. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Application Form and as soon as possible send it to either the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or to the Receiving Agent in accordance with the instructions set out in the accompanying Application Form. Subject to certain exceptions, the Application Form should not, however, be forwarded to or transmitted in or into a Restricted Jurisdiction. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4.2(b) of this Part 3.

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares to which they are entitled should complete the Application Form in accordance with the instructions printed on it. Completed Application Forms should be posted in the accompanying reply-paid envelope or returned by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD (who will act as Receiving Agent in relation to the Open Offer), so as to be received by the Receiving Agent **by no later than 11.00 a.m. on 16 April 2019**, after which time Application Forms will not be valid (subject to certain exceptions described below). Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

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

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

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

Cheques and banker’s drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker’s drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Qualifying Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker’s drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept

in a separate non-interest bearing bank account until all conditions are met. If the Open Offer does 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 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 16 April 2019; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 16 April 2019 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 and issued 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 Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Non-CREST Shareholder's Open Offer Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. Neither the Receiving Agent, the Company, nor any other person, shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Non-CREST Shareholder as a result.

(d) *Effect of application*

By completing and delivering an Application Form, the applicant:

- (i) represents and warrants to the Company that 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 that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by and construed in accordance with the laws of England;
- (iii) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Group contained in this document;
- (iv) confirms to the Company that in making the application he is not relying and has not relied on Stockdale or any other person affiliated with Stockdale in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (v) confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or

representation should not be, and has not been, relied upon as having been authorised by the Company or Stockdale;

- (vi) represents and warrants to the Company that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (viii) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the articles of association of the Company;
- (ix) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the 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 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 any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (x) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Stockdale or any of their affiliates (as defined in Rule 501(b) of the US Securities Act), by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act; and
- (xi) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

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

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

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

(a) *General*

Subject as provided in paragraph 6 of this Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST in respect of his Open Offer Entitlement. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Open Offer Entitlement. Any Qualifying CREST Shareholders with fewer than 26 Existing Ordinary Shares will not receive a Open Offer Entitlement.

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

If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 3.00 p.m. on 12 April 2019, or such later time and/or date as may be specified by the Company, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements which should have been credited to 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 should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Neville Registrars Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) *Bona fide market claims*

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

(c) *USE instructions*

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

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

(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 GB00BJSF1P17;
- (iii) the CREST participant ID of the accepting CREST Member;
- (iv) the CREST Member account ID of the accepting CREST Member from which the Open Offer Entitlements are to be debited;

- (v) the participant ID of Neville Registrars Limited in its capacity as Receiving Agent. This is 7RA11;
- (vi) the member account ID of Neville Registrars Limited in its capacity as Receiving Agent. This is FASBASIC;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 4.2(d)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 16 April 2019; 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 16 April 2019.

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 16 April 2019 in order to be valid is 11.00 a.m. on that day.

In the event that Admission does not occur by 8.00 a.m. on 17 April 2019 (or such later time and/or date as may be determined by the Company, being no later than 8.00 a.m. on 1 May 2019), the Open Offer will lapse and the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

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

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 16 April 2019.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 11 April 2019 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or from CREST is 4.30 p.m. on 10 April 2019, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 16 April 2019.

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

(f) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 16 April 2019 will constitute a valid application under the Open Offer.

(g) *CREST procedures and timings*

CREST Members and (where applicable) their CREST Sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Sponsored Member, to procure that 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 16 April 2019. In this connection CREST Members and (where applicable) their CREST Sponsors are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(h) *Incorrect or incomplete applications*

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

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

(i) *Effect of valid application*

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

- (i) represents and warrants to the Company that 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 to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the

payment, discharge in full the obligation of the CREST Member to pay to the Company the amount payable on application);

- (iii) agrees with the Company that all applications under the Open Offer and any contracts or non-contractual obligations resulting therefrom shall be governed by, and construed in accordance with, the laws of England;
- (iv) confirms to the Company that in making the application he is not relying on any information or representation in relation to the Group other than those contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained herein and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Group contained in this document;
- (v) confirms to the Company that in making the application he is not relying and has not relied on Stockdale or any other person affiliated with Stockdale in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (vi) confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Group or the Open Offer Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be, and has not been, relied upon as having been authorised by the Company;
- (vii) represents and warrants to the Company that 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;
- (viii) represents and warrants to the Company that if he has received some or all of his Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (ix) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the articles of association of the Company;
- (x) represents and warrants to the Company that he is not, nor is he applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the 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 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 any person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (xi) confirms that the Open Offer Shares have not been offered to the applicant by the Company, Stockdale or any of their affiliates (as defined in Rule 501(b) of the US Securities Act), by means of any: (a) "directed selling efforts" as defined in Regulation S under the US Securities Act; or (b) "general solicitation" or "general advertising" as defined in Regulation D under the US Securities Act; and
- (xii) represents and warrants to the Company that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986.

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

The Company may in its sole discretion:

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

5. Money Laundering Regulations

5.1 Holders of Application Forms

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

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

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

If the verification of identity requirements apply, failure to provide the necessary evidence of identity and address within a reasonable time may result in delays in the despatch of share certificates or in

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

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

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the EU Council Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (no. 2015/859/EU)); or
- (ii) if the acceptor is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers 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 £12,865 as at the Latest Practicable Date).

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 UK of a bank or building society which bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, should be made payable to "Neville Registrars Limited clients account" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only" in each case. Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' 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 paragraph 5.1(i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, Malaysia, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey 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 Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD.

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

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

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £12,865 as at the Latest Practicable Date) 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 should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and separate evidence of his address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 16 April 2019, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the applicant (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 Open Offer Entitlements in CREST

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

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares 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 as to the identity of the person or persons on whose behalf the application is made.

6. Overseas Shareholders

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

6.1 General

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

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

Receipt of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or

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

Due to restrictions under the securities laws of the Restricted Jurisdictions and certain commercial considerations, Application Forms will not be sent to, and Open Offer Entitlements will not be credited to stock accounts in CREST of, Excluded Overseas Shareholders or their agents or intermediaries, except where the Company is satisfied, at its sole and absolute discretion, that such action would not result in the contravention of any registration or other legal requirement in the relevant jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use any such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Application Form and/or credit of Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention 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 for any such person) outside the UK wishing to apply for Open Offer Shares under the Open Offer to satisfy himself 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.

None of the Company or Stockdale (nor any of their respective representatives) is making any representation to any offeree or purchaser of 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 to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his custodian, agent, nominee or trustee, he must not seek to apply for Open Offer Shares unless the Company determines that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this Part 3 and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.8 below, any person (including, without limitation, custodians, agents, nominees and trustees for any such person) outside the UK wishing to apply for Open Offer Shares must satisfy himself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and pay any issue, transfer or other taxes due in such territories.

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 dispatched by an Excluded Overseas Shareholder or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it

provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Open Offer Entitlements to a stock account in CREST, to a CREST Member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.8 below.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder who is an Excluded Overseas Shareholder to apply for Open Offer Shares 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 bankers' drafts or where such an Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exceptions, Excluded Overseas Shareholders 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.

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

No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of a 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 Open Offer Shares have not been, and will not be, registered under the US Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly the Open Offer Shares may not be offered, sold, pledged or transferred, directly or indirectly, in, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and the securities laws of any relevant state or other jurisdiction of the United States. There is no intention to register any portion of the Placing in the United States or to conduct a public offering of securities in the United States or elsewhere.

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

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

The Open Offer Shares will be distributed, offered or sold, as the case may be, outside the United States in offshore transactions within the meaning of, and in accordance with, Regulation S under the US Securities Act.

Each person to which the Open Offer Shares are distributed, offered or sold outside the United States will be deemed by its subscription for the Open Offer Shares to have represented and agreed, on its

behalf and on behalf of any investor accounts for which it is subscribing the Open Offer Shares, as the case may be, that:

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

Each subscriber acknowledges that the Company will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations and agreements deemed to have been made by such subscriber by its subscription for the Open Offer Shares are no longer accurate, it shall promptly notify the Company. If such subscriber is subscribing for the Open Offer Shares as a fiduciary or agent for one or more investor accounts, each subscriber represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

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

6.3 **Canada**

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

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

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

6.4 **Australia**

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

6.5 **Other Restricted Jurisdictions**

The Open Offer Shares 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 Form into any Restricted Jurisdiction.

6.6 **Other overseas territories**

Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than 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. Such Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK 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.

6.7 **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 and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or 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 Receiving Agent may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or

- (i) provides an address in a Restricted Jurisdiction for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates); or
- (ii) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).

(b) *Qualifying CREST Shareholders*

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

6.8 **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, in its 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 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. No withdrawal rights

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

8. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 17 April 2019. Application will be made to AIM for admission to trading of the Open Offer Shares. It is expected that, subject to the Placing and the Open Offer becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 17 April 2019.

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

Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 16 April 2019 (being the latest practicable date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, the Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for the Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. On or around 17 April 2019, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be on 17 April 2019). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST Member account IDs in respect of which the USE instruction was given.

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

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by no later than 3 May 2019. No temporary documents of title will be issued and, pending the issue of definitive certificates transfers will be certified against the register of members of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 of this Part 3, and the Application Form.

The result of the Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as reasonably practicable after the results are known.

9. Times and dates

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

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, the laws of England. The courts of England are to have exclusive jurisdiction to settle any dispute which may arise out

of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and, where applicable, the Application Form Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

11. Further Information

Your attention is drawn to the further information set out in this document and also to the terms, conditions and other information printed on any Application Form.

PART 4

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part 4 “**Questions and Answers about the Open Offer**” are intended to be in general terms only and, as such, you should read Part 3 “**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 manager, solicitor, accountant or other appropriate independent financial adviser, who is authorised under FSMA if you are in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

This Part 4 deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part 3 “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 Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read paragraph 4 of Part 3 “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 Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday, excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult 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 **not** be offered the opportunity to apply for additional New Ordinary Shares in excess of their Open Offer Entitlement to the extent that other Qualifying Shareholders do not take up their entitlement in full. In an open offer the 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 the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 30,034,661 Open Offer Shares at a price of 20 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a 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 17 Open Offer Shares for every 26 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. The Issue Price of 20 pence per Open Offer Share represents a premium of 5.5 per cent. to the Closing Price of 19 pence per Ordinary Share on 28 March 2019 (being the last Business Day prior to the announcement of the Fundraising).

Unlike in a rights issue, Application Forms are not negotiable documents and neither they, nor 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 or any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares, 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 29 March 2019 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

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

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

- how many Existing Ordinary Shares you held at the close of business on 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 other Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of, or all of, the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be returned, along with a cheque drawn in the appropriate form, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, or by hand (during normal office hours only) so as to be received by them by **no later than 11.00 a.m. on 16 April 2019**, 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 if the Open Offer Shares you could have taken up are sold, as would happen under a rights issue.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 16 April 2019, then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted.

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

If you want to take up some, but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Box 6 of your Application Form; for example, if you are entitled to take up 51 shares but you only want to take up 25 shares, then you should write ‘25’ in Box 6. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, ‘25’) by £0.20, which is the price in pounds of each Open Offer Share (giving you an amount of £5 in this example). You should write this amount in Box 7, rounding up to the nearest whole penny and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or by hand (during normal office hours only) to Neville Registrars Limited, Neville

House, Steelpark Road, Halesowen B62 8HD so as to be received by them by **no later than 11.00 a.m. on 16 April 2019** after which time Application Forms will not be valid. If you post your Application Form by first class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited Re: clients account". Cheques 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 or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 will 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 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 of Part 3 of this document).

Cheques will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, 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 3 May 2019.

(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 for the amount (as indicated in Box 5 of your Application Form), by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received by them by no later than 11.00 a.m. on 16 April 2019, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited Re: clients account". Cheques must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands or Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques 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 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.

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 3 May 2019.

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

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

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

CREST Members should follow the instructions set out in Part 3 “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 the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement 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 Ordinary Shares in certificated form. What do I do if I do not receive an Application Form or I have lost my Application Form?

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Qualifying Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer:

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at 6.00 p.m. on 28 March 2019 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 6.00 p.m. on 28 March 2019 but were not registered as the holders of those shares at the close of business at 6.00 p.m. on 28 March 2019; and
- certain Overseas Shareholders.

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

7. Can I trade my Open Offer Entitlement?

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

8. What if I change my mind?

If you are a Qualifying Non-CREST Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares 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.

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

If you hold Existing Ordinary Shares directly and you sell some or all of your Existing Ordinary Shares before 28 March 2019, 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 28 March 2019, 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 drawn in the appropriate form. All payments must be in pounds sterling and made by cheque made payable to "Neville Registrars Limited Re: clients account". Cheques 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 or Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques 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 will 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 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.

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

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

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 16 April 2019, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

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

If you are a Qualifying Non-CREST Shareholder, but are a CREST Member and want your Open Offer Shares to be in uncertificated form, you should complete the CREST deposit form (contained in the Application

Form), and ensure it is delivered to the CREST courier and sorting service in accordance with the instructions in the Application Form. CREST Sponsored Members should arrange for their CREST Sponsors to do this.

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

It is expected that the Receiving Agent will post all new share certificates by 3 May 2019.

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

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

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

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

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

Your ability to apply to acquire Open Offer Shares 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 3 “Terms and Conditions of the Open Offer” of this document.

20. Further assistance

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

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

DEFINITIONS

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

“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange as amended from time to time
“Application Form”	the personalised application form accompanying this document on which Qualifying Non-CREST Shareholders may apply for Open Offer Shares under the Open Offer
“Board” or “Directors”	the directors of the Company whose names are set out on page 4 of this document
“BRK”	means, together BRK Brands Inc, BRK Brands Europe Limited, Jarden LLC and Detector Technology Limited
“Business Day”	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (that is, not in CREST)
“City Code”	the City Code on Takeovers and Mergers
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
“Companies Act” or the “Act”	Companies Act 2006 (as amended)
“Company” or “FireAngel”	FireAngel Safety Technology Group Plc, a public limited company incorporated in England and Wales with company number 03991353
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Courier and Sorting Service”	the CREST Courier and Sorting Service which manages the movement of share certificates and other documents between CREST counters and registrars where shares are being deposited into or withdrawn from CREST
“CREST Manual”	the rules governing the operation of CREST, as published by Euroclear
“CREST Member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)

“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“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 from time to time)
“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
“EMEA”	Europe, the Middle East and Africa
“Enlarged Share Capital”	the total number of issued Ordinary Shares on completion of the Fundraising following the issue of the New Ordinary Shares, and assuming that all of the New Ordinary Shares are issued
“Estimated Expenses”	the estimated expenses incurred in connection with the Fundraising, being £0.5 million, assuming all New Ordinary Shares are issued
“Existing Ordinary Shares”	the issued share capital of the Company as at the date of this document, being 45,935,365 Ordinary Shares
“Excluded Overseas Shareholders”	other than as agreed by the Company or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“FCA”	the United Kingdom Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the Placing and the Open Offer
“Gross Proceeds”	the proceeds from the issue of the New Ordinary Shares prior to the deduction of the Estimated Expenses, being approximately £6.0 million, assuming all New Ordinary Shares are issued
“Group”	the Company and its subsidiaries from time to time
“Issue Price”	20 pence per New Ordinary Share
“Latest Practicable Date”	means 28 March 2019
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“Net Proceeds”	the estimated net proceeds from the issue of the New Ordinary Shares after the deduction of the Estimated Expenses from the Gross Proceeds
“New Ordinary Shares”	the Ordinary Shares to be issued in connection with the Fundraising

“Open Offer”	the conditional invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Issue Price on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Application Form
“Open Offer Entitlement(s)”	the <i>pro rata</i> entitlement of Qualifying Shareholders to subscribe for 17 Open Offer Shares for every 26 Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer
“Open Offer Shares”	the 30,034,661 New Ordinary Shares for which Qualifying Shareholders are being invited to apply, to be issued pursuant to the terms of the Open Offer
“Ordinary Shares”	the ordinary shares of two pence each in the capital of the Company and “Ordinary Share” shall be construed accordingly
“Overseas Shareholders”	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside of the United Kingdom
“Panel”	the Panel on Takeovers and Mergers
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST Member or other CREST Participant
“Placee”	any person that has conditionally agreed to subscribe for Placing Shares
“Placing”	the conditional placing of the Placing Shares by the Company announced on 29 March 2019
“Placing Shares”	the New Ordinary Shares which are the subject of the Placing
“Prospectus Rules”	the Prospectus Rules published by the FCA under Section 73A of FSMA
“Prospectus Directive”	directive 2003/71/EC on the requirements for a prospectus to be published when securities are offered to the public or admitted to trading
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST at the Record Date
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date
“Qualifying Shareholders”	holders of Existing Ordinary Shares on the register of members of the Company at the Record Date with the exclusion of Overseas Shareholders with a registered address or who are resident in any Restricted Jurisdiction
“Record Date”	close of business at 6.00 p.m. on 28 March 2019
“Registrars” or “Receiving Agent”	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website

“Restricted Jurisdiction”	each and any of the United States, Australia, Canada, Japan, the Republic of South Africa, New Zealand and any other jurisdiction where the extension or the availability of the Open Offer would breach any applicable law
“RIS”	a Regulatory Information Service within the meaning given in the AIM Rules
“Securities Act”	the US Securities Act of 1933 (as amended)
“Shareholders”	holders of Ordinary Shares
“Stockdale”	Stockdale Securities Limited and, where the context allows, its affiliates, the Company’s nominated adviser and broker, which is incorporated as a private limited company in England and Wales with company number 00762818
“uncertificated” or “in uncertificated form”	a shareholding which is recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America
“USE”	an unmatched stock event
“£”, “Pounds Sterling” or “Pence”	the lawful currency of the United Kingdom

