

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

If you sell or have sold or otherwise transferred all of your Ordinary Shares in FireAngel Safety Technology Group plc (the “Company”) before 30 April 2021 (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 Regulation Rules. The Placing Shares are only available to qualified investors for the purposes of the Prospectus Regulation 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 Regulation Rules and, accordingly, this document has not been, and will not be, reviewed or approved by the FCA pursuant to sections 85 and 87 of FSMA, the London Stock Exchange, any securities commission or any other authority or regulatory body, and has not been approved for the purposes of section 21 of FSMA.

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

The Company and each of the Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. It is expected that admission of the New Ordinary Shares will become effective, and that dealings on AIM will commence, at 8.00 a.m. on 20 May 2021.

FIREANGEL SAFETY TECHNOLOGY GROUP PLC

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

Firm Placing of 16,093,279 New Ordinary Shares

and

Open Offer of up to 38,351,165 New Ordinary Shares

and

**Conditional Placing of up to 38,351,165 New Ordinary Shares,
in each case at 18 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. That letter explains the background to, and reasons for, the Fundraising.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 19 May 2021. The procedure for acceptance and payment is set out in Part 3 of this document and, where relevant and appropriate, in the Application Form.

Save as described herein, Qualifying Non-CREST Shareholders will find an Application Form enclosed with this document. Qualifying CREST Shareholders (none of whom will receive an Application Form) will, save as described herein, receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and Excess Open Offer Entitlements which will be enabled for settlement on 4 May 2021.

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.

Applications for Excess Open Offer Entitlements pursuant to the Excess Application Facility may be made by Qualifying Shareholders provided that their Open Offer Entitlement has been taken up in full and is subject to being scaled back in accordance with the terms and conditions of the Open Offer set out in Part 3 of this document.

If the Open Offer Entitlements or Excess Open Offer Entitlements are for any reason not enabled by 11.00 a.m. on 4 May 2021 (or such later time and/or date as the Company may decide), save as described herein, an Application Form will be sent to each Qualifying CREST Shareholder in substitution for their Open Offer Entitlement and Excess Open Offer Entitlements 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 19 May 2021. 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, Open Offer Entitlements and Excess Open Offer Entitlements described in this document have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities laws of any state of the United States. The New Ordinary Shares, Open Offer Entitlements and Excess Open Offer Entitlements 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 Entitlements, the Excess Open Offer Entitlements nor the Application Form may be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of the New Ordinary Shares, Open Offer Entitlements or Excess Open Offer Entitlements in the United States. The New Ordinary Shares, Open Offer Entitlements and Excess Open Offer Entitlements 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, Japan, the Republic of South Africa and New Zealand (together with the United States, the “**Restricted Jurisdictions**”) and, consequently, subject to certain exemptions, may not be offered or sold to any national, resident or citizen thereof.

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

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

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

Shore Capital Stockbrokers Limited (“**Shore Capital Stockbrokers**”) and together with Shore Capital & Corporate, “**Shore Capital**”) and Nplus1 Singer Capital Markets Limited (together with its affiliated entities) (“**N+1 Singer**”) and, together with Shore Capital Stockbrokers, the “**Joint Brokers**”), which are authorised and regulated in the UK by the FCA, are acting as joint brokers to the Company in connection with the matters described in this document and are not acting for any other persons in relation to the Fundraising and Admission. The Joint Brokers are 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 the Joint Brokers will not be responsible to anyone other than the Company for providing the protections afforded to their clients or for advising any other person on the arrangements described in this document. The responsibilities of each of the Joint Brokers as the Company’s brokers under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or other person in respect of their decision to acquire shares in the capital of the Company in reliance on any part of this document and/or the Application Form, or otherwise.

Cautionary note regarding forward-looking statements

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

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

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or FSMA), the Company, Shore Capital and Corporate, the Joint Brokers 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.

Given the rapidly changing global situation, and the current uncertainty over the duration of the disruption caused by the Covid-19 pandemic, it is impossible to predict, with any certainty, the continuing impact on the Company's business. As such, this document should be considered against this backdrop and Shareholders should understand that there is a high level of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Fundraising.

Information for Distributors

UK Product Governance Requirements

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the New Ordinary Shares have been subject to a product approval process, which has determined that the New Ordinary Shares are: (i) compatible with an end target market of (a) retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018), (b) investors who meet the criteria of professional clients as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018) and (c) eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "**UK Target Market Assessment**").

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

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

EU Product Governance Requirements

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

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

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

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DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	John Conoley (<i>Executive Chairman</i>) Zoe Fox (<i>Chief Financial Officer</i>) Glenn Collinson (<i>Non-Executive Director</i>) Simon Herrick (<i>Non-Executive Director and Senior Independent Director</i>) Jon Kempster (<i>Non-Executive Director</i>) Graham Whitworth (<i>Non-Executive Director</i>)
Company Secretary	Zoe Fox
Registered Office	Vanguard Centre Sir William Lyons Road Coventry CV4 7EZ
Nominated Adviser	Shore Capital and Corporate Limited Cassini House 57 St. James's Street London SW1A 1LD
Joint Brokers	Shore Capital Stockbrokers Limited Cassini House 57 St. James's Street London SW1A 1LD Nplus1 Singer Capital Markets Limited 1 Bartholomew Lane London EC2N 2AX
Legal Advisers to the Company	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
Legal Advisers to the Nominated Adviser and the Joint Brokers	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL
Registrars and Receiving Agent	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Company website	www.fireangeltech.com

EXPECTED TIMETABLE OF PRINCIPAL EVENTS^{(1), (2)}

2021

Record Date for entitlements under the Open Offer	6.00 p.m. on 29 April
Announcement of the Fundraising	30 April
Ex-entitlement date for the Open Offer	8.00 a.m. on 30 April
Posting of this document and, to Qualifying Non-CREST Shareholders only, the Application Form ⁽³⁾	30 April
Publication of Notice of the Open Offer in the London Gazette	4 May
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders ⁽³⁾	4 May
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST ⁽³⁾	4.30 p.m. on 13 May
Latest time and date for depositing Open Offer Entitlements into CREST ⁽³⁾	3.00 p.m. on 14 May
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 17 May
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)^{(3), (4)}	11.00 a.m. on 19 May
Announcement of the result of the Open Offer	19 May
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 20 May
CREST Members' accounts expected to be credited in respect of New Ordinary Shares in uncertificated form ⁽³⁾	20 May
Expected despatch of definitive share certificates for New Ordinary Shares in certificated form ⁽³⁾	by 4 June

Notes:

1. Each of the times and dates below 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 times below refer to London time unless otherwise stated.
3. Subject to certain restrictions relating to Qualifying Shareholders with registered addresses in, or who are located and/or resident in or are citizens of, in each case, countries outside the UK (details of which are set out in Part 3 of this document).
4. In order to subscribe for Open Offer Shares, Qualifying Shareholders will need to follow the procedure set out in Part 3 of this document and, where relevant, complete the Application Form. If Qualifying Shareholders have any queries on the procedure for acceptance and payment, or wish to request another Application Form, they should contact Neville Registrars on 0121 585 1131 or if calling from outside the UK on +44 121 585 1131. Calls to the Neville Registrars' help lines are charged at your provider's standard rates for national or, as the case may be, international calls. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Neville Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

ISSUE STATISTICS

Closing Price per Ordinary Share ⁽¹⁾	22.4 pence
Issue Price per New Ordinary Share	18 pence
Basis of Open Offer	10 Open Offer Shares for every 33 Existing Ordinary Shares ⁽²⁾
Discount to Closing Price per Ordinary Share ⁽¹⁾	19.6 per cent.
Number of Ordinary Shares in issue ⁽³⁾	126,558,845
Number of Firm Placing Shares to be issued by the Company	16,093,279
Gross proceeds of the Firm Placing	£2,896,790.22
Maximum number of New Ordinary Shares to be issued by the Company pursuant to the Open Offer and Conditional Placing	38,351,165
Maximum number of New Ordinary Shares to be issued pursuant to the Fundraising	54,444,444
Gross proceeds of the Fundraising	£9,799,999.92
Maximum number of Ordinary Shares in issue immediately following Admission	181,003,289
Percentage of Enlarged Share Capital represented by the Firm Placing Shares	8.9 per cent.
Percentage of Enlarged Share Capital represented by the Open Offer Shares and Conditional Placing Shares	21.2 per cent.
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares	30.1 per cent.
Estimated net proceeds of the Fundraising ⁽⁴⁾	£9.0 million
Ordinary Shares ISIN	GB0030508757
Open Offer Entitlements ISIN	GB00BNKF7268
Excess Open Offer Entitlements ISIN	GB00BNKF7375
SEDOL	3050875
SEDOL Open Offer Entitlements	BNKF726
SEDOL Excess Entitlements	BNKF737

Notes:

1. Closing Price on the Latest Practicable Date.
2. 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.
3. As at the Latest Practicable Date.
4. Based on the estimated expenses of the Fundraising and assuming successful applications are received for all available Open Offer Shares 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.

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 (Executive Chairman)
Zoe Fox (Chief Financial Officer)
Glenn Collinson (Non-Executive Director)
Simon Herrick (Non-Executive Director and Senior Independent Director)
Jon Kempster (Non-Executive Director)
Graham Whitworth (Non-Executive Director)

Registered Office:

Vanguard Centre
Sir William Lyons Road
Coventry
CV4 7EZ

30 April 2021

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

Dear Shareholder,

Firm Placing of 16,093,279 New Ordinary Shares

and

Open Offer of up to 38,351,165 New Ordinary Shares

and

Conditional Placing of up to 38,351,165 New Ordinary Shares, in each case at 18 pence per New Ordinary Share

1. Introduction

On 30 April 2021, the Company announced that it was proposing to undertake an Open Offer to raise up to approximately £6.9 million, on the basis of 10 Open Offer Shares for every 33 Existing Ordinary Shares held on the Record Date, at an issue price of 18 pence per New Ordinary Share. The Company also announced that with effect from 30 April 2021, Jon Kempster who was appointed as Interim Chief Financial Officer on 17 December 2020 would be appointed as a Non-Executive Director of the Company and that Zoe Fox, Company Secretary and Finance Director of the Group's principal subsidiary, would be appointed as Chief Financial Officer.

In addition, the Company announced that it had conditionally raised:

- I approximately £2.9 million (before expenses) by means of the Firm Placing with certain existing Shareholders and new investors of 16,093,279 New Ordinary Shares at the Issue Price; and
- II up to approximately £6.9 million (before expenses) by means of the Conditional Placing with certain existing Shareholders and new investors of 38,351,165 New Ordinary Shares at the Issue Price, subject to clawback under the Open Offer.

It should be noted that New Ordinary Shares will only be issued pursuant to the Conditional 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 up to 54,444,444 New Ordinary Shares being issued pursuant to the Fundraising. The Open Offer is not conditional on completion of the Firm Placing or Conditional Placing. The Firm Placing and Conditional Placing are conditional, *inter alia*, on the Placing Agreement between the Company, Shore Capital & Corporate and the Joint Brokers becoming unconditional and not being terminated (in accordance with its terms).

The Firm Placing of the Firm Placing Shares and the Conditional Placing of the Conditional Placing Shares has been arranged by Shore Capital Stockbrokers and N+1 Singer acting as joint brokers to the Company.

The Issue Price of 18 pence represents a discount of approximately 19.6 per cent. to the Closing Price on 29 April 2021, being the latest practicable date 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 20 May 2021 (or such other time and/or date as the Company, Shore Capital & Corporate and the Joint Brokers 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 20 May 2021.

It is proposed that the Net Proceeds will be used, in part, to fund research and development to accelerate new products, implement efficiencies, improvements and cost savings, strengthen the Company's balance sheet, including optimising the Company's working capital position in respect of stock and payables, and fund part of the legacy battery warranty returns. Further details of the intended use of the Net Proceeds can be found in paragraph 6 below.

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.

2. Background to, and reasons for, the Fundraising

The Group entered 2020 with positive momentum in its strategic priorities, including strong growth (having now sold in excess of 70 million alarms since its incorporation), an increasing higher-value pipeline and initial progression on gross margin performance.

Undoubtedly, the onset of the Covid-19 pandemic and resultant Government restrictions significantly disrupted this journey, as it has for so many companies and, of course, for so many individuals. Nevertheless, it was encouraging to see a recovery in performance in the second half of the last financial year. For instance, approximately 61 per cent. of the Group's UK Trade sales were recorded in the second half of the year, and the operational progress made provides a strong platform for further improvement in 2021.

The Group achieved its budget for revenue and gross margin in Q1 2021, despite continued lockdown restrictions, particularly in those EU countries in which the Group operates and Scotland. In particular, after reopening in late 2020, UK Trade and Retail accelerated and generated record sales in Q1 2021, which were 30 per cent. higher than in the corresponding period in 2020. The UK Government's roadmap out of lockdown gives the Board clarity and confidence in its plans for the year ahead and beyond. The Directors believe that the growth in the Group's sales of Connected Homes technology is forecast to continue. This increasing momentum in Connected Homes technology in Q1 2021 is further evidenced by:

- I growing sales volumes;
- the partnership signed by the Company in April 2021 with a German energy efficiency service provider, further details of which are set out below; and
- an initial order of £1.0 million to rollout "Internet of Things" alarm technology for the London Borough of Ealing.

The Board's overriding priority is to return the Group to profitability and for it to become cash generative. The Board considers that this can be achieved through a combination of enacting a gross margin improvement plan, together with the rollout into the market of its Connected Homes technology and of newer generations of alarm, whilst maintaining the Group's leading position in the retail markets it serves and in its growing Trade business in the UK and Europe.

In March 2021, the Group refinanced its existing Coronavirus Large Business Interruption Loan Scheme ("**CLBILS**"). As the Group's revenue dropped below £45.0 million, the CLBILS (which had been reduced to £2.0 million at the end of March 2021) has been refinanced under the Coronavirus Business Interruption Loan Scheme ("**CBILS**") with HSBC UK. The new loan of, in aggregate, £3.7 million (the "**New Loan**") comprises a CBILS loan of £3.2 million and an additional Receivables Finance CBILS of £0.5 million. The New Loan, which will be used to pay off the balance of the CLBILS, has a term of six years with the first

year being free of interest and capital repayments, and an interest rate thereafter of 3.99 per cent. over the Bank of England's base rate.

The Company also announced on 30 April 2021 its audited final results for the year ended 31 December 2020, further details of which are set out below. The revenue outturn was £39.9 million, which was 12 per cent. lower than in the prior year (2019: £45.5 million). Whilst the Board was satisfied with the revenue performance given the challenging market backdrop, its plans to improve margin during 2020 were undermined by Covid-19 and the UK Government restrictions. Many of the newer or growing revenue streams in UK Trade and from social housing that the Group aimed to pursue during 2020 became temporarily unfeasible during the various UK lockdowns as a result of the impact of UK Government restrictions, with customers and business partners unsurprisingly focused on their own important priorities due to Covid-19.

However, the improvements that were made last year are not lost, and the Directors believe that the market opportunity, in particular with the Group's Connected Homes technology, is undiminished and indeed strengthened by the growing regulatory tailwinds with awareness being raised by the Grenfell enquiry which has led to more enquiries being received by the Group. The Group's task now is to regain momentum and deliver its Connected Homes strategy, targeting new types of business while continuing to improve margin. The Board sees a clear path to strong sales and margin growth in the short and medium term.

Margin improvement

As referred to above, the overriding planned output of the Group's activity in each of 2021, 2022 and 2023 is to improve the gross margin significantly year-on-year. The Directors believe that the Group will do this by leveraging its differentiation, which includes its Connected Homes technology, further details of which are set out below. The three key strands to achieve this are:

- I moving to higher value activities;
- I better quality sales of connected propositions; and
- I improving the Group's value chain.

These strands are already producing financial benefits, and the Directors believe that there remains significant opportunity in all three areas. The Company spent much of otherwise lost time in the various lockdowns in 2020 refining and delivering its plans against this priority, and expects to see a £0.1 million impact to gross profit in 2021 and transformational gross margin enhancement from 2022 onwards, with a total estimated £3.0 million impact on gross profit.

1. Moving to higher value activities

This is closely allied with improving the Group's value chain, details of which are set out below. As part of this focus, the Board has reviewed the economic potential of the Group's stock-keeping units ("SKUs") and considers that some of the Group's lower value alarms are uneconomic and divert development, maintenance and people costs into an area where it cannot command sufficient gross margin. This has led the Board to resolve to reduce the Group's SKUs by a third over the year to Q1 2021. Most of that reduction is in those SKUs which generate little sales volume, but add complexity to the business and supply chain. Furthermore, the Directors believe that several additional low-end SKUs can be made economic by partnering with an existing high-quality technology partner of the Group with relevant technology and adding the Group's brand and external design. The Directors consider that this will generate much better margin on a subset of the Group's product range while maintaining range coverage, without the continual overhead of the Group having to design from scratch and subsequent maintenance. The full-year benefit of this new approach to low-end SKUs is expected to be over £1.0 million of gross profit in 2022, depending on exchange rate.

Looking further ahead, the Group's design philosophy has changed. A redesign of the Group's higher value product lines will enable the use of automation in the production line which, the Board believes, will in turn improve yields and quality, and allow the refresh of components. Given the Group's historic investment in research, the Directors believe that this is much more of a design exercise and opens the door to flexibility in the factory environment—as well as flexibility of the factory location itself—and, crucially, a further significant opportunity for margin improvement in 2023 onwards.

As a result, the Group can then focus its direct costs on its differentiated and Connected Homes technology, which is higher value, has higher margin potential and crucially is fundamental to its longer term Connected Homes strategy. The Directors see the Connected Homes technology as a significant value growth opportunity, in part because there is a growing demand for the highest level of protection and maintenance, which the Directors believe can best be delivered through connected technology.

Furthermore, by the end of 2021, higher value products remaining in higher cost economies will benefit from better manufacturing focus, opening the door to technology and commercial partnerships. This will also offer a longer-term efficiency of research and development investment, as the Group is able to focus in-house only on activities with higher economic value, such as Connected Homes, “Internet of Things”, software and firmware. The Group employs a sales model more closely aligned with IT hardware and software sales, rather than a retail sales model.

An example of the Group’s emphasis on focusing more on higher value activities was the signing in April 2021 of an exclusive long term partnership agreement with a German energy efficiency service provider of approximately 12 million apartments worldwide (the “**Partner**”), which was enabled by a greater emphasis by the Group on formal internal processes. Under this partnership, the Group will provide a fully funded research and development programme for what the Directors expect to be a next generation 10-year smoke alarm. Pursuant to the terms of the agreement, the Partner will fund the development phase of the next generation smoke alarm. In addition, the Company will receive a fee of £1.4 million for the use of its background IP during the development phase. Thereafter, once production of the next generation smoke alarm has commenced, a royalty fee per product will be payable to the Company as the manufacturing partner, with a multi-million volume fee agreed for the initial thirty months, with a minimum royalty fee commitment of €3.0 million (estimated to exceed £1.0 million by 2024). Manufacturing of the next generation smoke alarm is expected to commence in early 2024. The Partner has provided an initial forecast of seven million new devices to be produced. On this basis, the Directors believe that the Company should earn up to €21.0 million in royalty and manufacturing partner fees during the life of the partnership, with an estimated impact to gross profit in 2021 of £0.6 million.

2. Better quality sales of connected propositions

Commercialising the Group’s significant investment in its Connected Homes technology means selling more connected alarms, while learning what part data generation could play in adding a new layer to the Group’s future activities and revenue streams. The Company saw greater traction in its online sales over the course of 2020, a shift that the Directors expect to be permanent, as buying habits and legislation continue to evolve. The Directors believe that the online retail environment is a medium that suits the Group’s domestic connected products well and the trend seen in 2020 has continued in Q1 2021.

Furthermore, commercialising also means re-establishing the momentum the Company had achieved in the form of trials and potential sales of large opportunities, particularly in social housing, which was unavoidably lost in 2020 following the onset of Covid-19. In the early months of 2021, the Company is already gaining traction and has seen increased sales of its interconnected alarms. The Board believes that the Company’s technology will help make people and properties safer by alerting people to fire and CO incidents faster.

Moreover, there is an extra level to the Group’s Predict™ product which enables the gathering of data from those alarms and the ability to manage fire risks through a dashboard. This dashboard can present unique behavioural data received from interconnected alarms (including both FireAngel Gateway devices and third-party devices) to the customer, allowing them to manage risks or risky behaviour related to fire safety. The Group’s consumer app, the FireAngel Connected App, saw approximately 770 per cent. growth in active users over the 10 months between June 2020 and March 2021. Sensor data can provide a fuller picture of environmental factors which affect users’ quality of life or behaviour.

A highlight of the Group’s performance in 2020 was the receipt of a purchase order on behalf of Ealing Borough Council, the first phase of which will generate approximately £1.0 million of revenue for the Group. While rollout under the contract was inevitably delayed significantly due to the winter lockdown, it has now begun and the first block of flats is live. A further 21 blocks of flats have been surveyed with a bulk “call-off” purchase order now planned for 400 properties per month from June 2021.

3. Improving the Group's value chain

While the Group's planned value chain improvements are primarily small-scale, numerous operational initiatives intended to make it more efficient are already underway. By way of example, 2021 will see the Group switch from polyethylene terephthalate (PET) packaging to lower cost cardboard packaging (with an estimated £0.49 million gross profit impact for the year ending 31 December 2021). In 2020, the Group centralised three disparate UK warehouses into one location. Further, in Q2 2021, the Group plans to complete a transition to automated sales order processing, support and other internal administration. Together, the Board considers that these many small projects will enable the Group to provide a smoother, more joined-up, end-to-end, process, from concept to production to service. The Board expects these operational improvements to save approximately £1.0 million in gross profit per year from 2021.

In the medium term, the Group is redesigning and repackaging its mainstream ranges to enable a longer component lifecycle and manufacture by designing for modular products to be assembled in a predominantly automated environment, insulating against labour cost increases and also lead to some range repositioning benefits. This modular product platform is expected to lower the bill of materials (BoM) cost and result in fewer components, less handling and improved quality. This project will focus on development and modernisation, building on the Group's existing IP and research, yet taking opportunities to add new components or functionality as required. In addition, implementation of modern Product Lifecycle management techniques will enable the Group to control this process far more effectively than it has done historically.

Summary of expected Gross Margin improvement journey

As set out in sub-paragraph 2 above, increasing the sales of higher margin products is critical to the achievement of the Group's gross margin improvement programme. The Group achieved gross margin of 19 per cent. in the year ended 31 December 2019 and approximately 20 per cent. in the year ended 31 December 2020, and is targeting gross margin of up to 25 per cent. in 2021, up to 29 per cent. in 2022, up to 33 per cent. in 2023 and up to 35 per cent. in 2024.

The transition from the Group's so called 'old world' products and practices to the 'new world' higher margin product ranges has begun and is well advanced. By way of example, the Directors believe that typical purchases in the 'old world' comprise either (i) traditional DIY retail of one to two stand alone alarms with a typical transaction value of £10 to £20 at a low double digit gross margin (around 10 per cent); or (ii) traditional Trade of two to four stand alone alarms with a typical transaction value of £40 to £50 at a higher double digit gross margin (around 35 per cent).

The Directors believe that typical purchases in the 'new world' comprise: (i) online retail of four connected alarms plus an app with a typical transaction value of £110; (ii) inter-connected Trade of four to seven interconnected alarms with a typical transaction value of £150; and (iii) connected social housing, including Predict™, along the lines of the London Borough of Ealing rollout referred to above, of six alarms, a gateway and a subscription thereby generating recurring revenue for the Group, with a typical transaction value of £200 to £300 per property. New world revenue is expected to be more than half of total revenue from 2022. With an average maintenance cost of £12 per social housing property per year, there is a potential for recurring revenue of £48 million per annum.

Continued progress against challenges

While the Directors are aware that there are ongoing challenges facing the Company, they believe that despite the lockdowns the Company made progress last year and is continuing to make progress. While the Company is expecting to deploy its available cash this financial year, the Directors believe that the Company should generate free cash flow in the year ending 31 December 2022. As set out in its audited final results for the year ended 31 December 2020, which were announced on 30 April 2021, the Company has made an increase to the warranty provision of £1.5 million to provide for the battery impedance issue which first came to light in April 2016. The Directors consider that this issue is past its peak, with the overall provision reduced to £2.7 million in 2020 (2019: £3.5 million).

As is the case with many other similar companies, the Group has in the past year or so had issues with its supply chain and the availability of components continues to be an issue facing the Group. The Directors believe that there remains an opportunity to optimise the Group's supply chain which is related to its aim to improve its value chain referred to above. In addition, while the market for Connected Homes technology

remains immature, and therefore may develop more slowly than the Directors anticipate, the Group is seeing an increased level of enquiries which the Directors believe is driven following the recent re-commencement of the Grenfell enquiry, as well as by further legislation for building safety. While execution risk remains a challenge for the Group, this is mitigated as significant processes have recently been changed and key new hires have been made during 2020.

The Directors believe that the Fundraising will accelerate the Group's growth in sales and margin and enhance shareholder value.

3. Audited final results for the year ended 31 December 2020

On 30 April 2021, the Company announced its audited final results for the year ended 31 December 2020. The Group's revenue was £39.9 million (2019: £45.5 million).

2020 was dominated by the impact of COVID-19 lockdown restrictions. Despite a strong start to the year, which augured well for full-year performance, revenue and the Group's profit recovery programme were materially and directly impacted by UK and international measures to control the spread of Covid-19.

Total revenue for the year decreased by 12 per cent. from £45.5 million for the year ended 31 December 2019 to £39.9 million, resulting in an underlying LBITDA of £1.2 million compared with underlying EBITDA of £0.2 million for the year ended 31 December 2019. The adjusted gross profit was £7.9 million (2019: £8.7 million), which represented an adjusted gross margin of 19.8 per cent. (2019: 19.0 per cent.). The underlying operating loss was £5.4 million compared to a loss of £3.8 million in 2019. The underlying loss before tax was £5.7 million (2019: £4.1 million).

Whilst the Board was satisfied with the revenue performance given the challenging market backdrop, its plans to improve margin during 2020 were undermined. The benefits from a range of planned internal improvements came through much more slowly than anticipated, with less impact than planned and this was further compounded by reduced sales volumes. Many of the newer or growing revenue streams from trade and social housing that the Company aimed to pursue became temporarily unfeasible during lockdown as a result of the impact of restrictions, with customers and business partners focused on their own important priorities due to Covid-19.

4. Current trading and outlook

As outlined above, the Company enjoyed a strong end to 2020, and this momentum has continued into 2021. The Company returned to growth in the first quarter of 2021, and although obvious uncertainties have still tempered the overall performance, UK Trade and Retail sales are up 30 per cent. against comparable sales in Q1 2020.

The Group is delighted to have begun the rollout of its Connected Homes alarms with Ealing Borough Council. The contract includes generating safety data from alarms installed in properties to allow analysis and risk management for the first time, demonstrating the benefits and potential of FireAngel Predict™.

The recently announced contract with a major European energy efficiency service provider is further vindication of the hard work of the past year and more. The Board believes that this opportunity will help the Group work towards higher value activities.

There is now a clearer path out of the Covid-19 related restrictions, and while some uncertainty remains, the Board is targeting improved performance and sales growth in 2021 versus 2019 (being the last full year prior to the impact of Covid-19). The Group's compelling proposition to protect and save lives with innovative, cutting-edge home safety technology remains intact. The Group's strategic ambition to achieve this through margin improvement and a focus on investing in Connected Homes technology remains unaltered, supported further by legislative tailwinds.

5. Information on the Fundraising

On 30 April 2021, the Company announced that it was proposing to undertake an Open Offer to raise approximately £6.9 million on the basis of 10 Open Offer Shares for every 33 Existing Ordinary Shares held

on the Record Date, at the Issue Price. In addition, the Company announced that it had conditionally raised approximately:

- I £2.9 million (before expenses) by way of the Firm Placing with certain existing Shareholders and new investors of 16,093,279 New Ordinary Shares at the Issue Price; and
- I £6.9 million (before expenses) by means of the Conditional Placing with certain existing Shareholders and new investors of up to 38,351,165 New Ordinary Shares at the Issue Price, subject to clawback under the Open Offer.

The New Ordinary Shares will represent, in aggregate, up to 30.1 per cent. of the Enlarged Share Capital, at the Issue Price.

The Issue Price of 18 pence per New Ordinary Share represents a discount of approximately 19.6 per cent. to the Closing Price of 22.4 pence on 29 April 2021, being the Latest Practicable Date prior to the announcement of the Fundraising.

The Fundraising is not being underwritten and is conditional, *inter alia*, on Admission becoming effective by no later than 8.00 a.m. on 20 May 2021 (or such later time and/or date, being not later than 4 June 2021, as the Company, Shore Capital & Corporate and the Joint Brokers 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 and Excess Open Offer Entitlements admitted to CREST as part of the Open Offer will thereafter be disabled.

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 20 May 2021.

6. Use of Net Proceeds

The Net Proceeds of the Fundraising are expected to be approximately £9.0 million. It is proposed that such proceeds will be used to:

- fund research and development to accelerate new products;
- implement efficiencies, improvements and cost-saving;
- I strengthen the Company's balance sheet, including optimising the Company's working capital position in respect of stock and payables; and
- fund part of the legacy battery warranty returns.

7. Related Party Transactions

Client funds of Downing LLP (together, "Downing LLP") have agreed to subscribe for 10,856,666 Placing Shares. As at the date of this document, so far as the Company is aware, Downing LLP holds 23,645,248 Existing Ordinary Shares representing approximately 18.68 per cent. of the Existing Ordinary Shares. As such, Downing LLP is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's nominated adviser, Shore Capital & Corporate, that the terms of Downing LLP's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

BGF Investment Management Limited ("BGF") has agreed to subscribe for 6,388,889 Placing Shares. As at the date of this document, so far as the Company is aware, BGF holds 14,638,098 Existing Ordinary Shares representing approximately 11.6 per cent. of the Existing Ordinary Shares. As such, BGF is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company's nominated adviser, Shore Capital & Corporate, that the terms of BGF's participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

Discretionary clients of Canaccord Genuity Group Inc. (“**Canaccord Genuity**”) have agreed to subscribe for 7,222,222 Placing Shares. As at the date of this document, so far as the Company is aware, Canaccord Genuity holds 14,700,000 Existing Ordinary Shares representing approximately 10.3 per cent. of the Existing Ordinary Shares. As such, Canaccord Genuity is a substantial shareholder of the Company and its participation in the Placing is a related party transaction pursuant to AIM Rule 13 of the AIM Rules. The Directors consider, having consulted with the Company’s nominated adviser, Shore Capital & Corporate, that the terms of Canaccord Genuity’s participation in the Placing are fair and reasonable insofar as the Shareholders are concerned.

Each of Zoe Fox (Chief Financial Officer), Jon Kempster (Non-Executive Director), Glenn Collinson (Non-Executive Director) and Graham Whitworth (Non-Executive Director) and his wife have each agreed to subscribe for 55,556, 55,556, 111,111 and 166,649 Placing Shares respectively in the Placing.

In addition, John Conoley and his wife intend to subscribe for their Open Offer Entitlement being, in aggregate, 128,590 Open Offer Shares, representing approximately 0.34 per cent. of the Open Offer Shares.

8. Details of the Open Offer, the Conditional Placing and the Firm Placing

The Company proposes to raise up to £6.9 million by way of the Open Offer to its Qualifying Shareholders. In addition, the Company announced that it had conditionally raised:

- I approximately £2.9 million (before expenses) by means of the Firm Placing with certain existing Shareholders and new investors of 16,093,279 New Ordinary Shares at the Issue Price; and
- II up to approximately £6.9 million (before expenses) by means of the Conditional Placing with certain existing Shareholders and new investors of 38,351,165 New Ordinary Shares at the Issue Price, subject to clawback under the Open Offer.

The New Ordinary Shares will represent approximately 30.1 per cent. of the Enlarged Share Capital immediately following Admission. The Issue Price represents a discount of approximately 19.6 per cent. to the Closing Price on the Latest Practicable Date.

Principal Terms of the Open Offer

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

10 Open Offer Shares for every 33 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 (other than, subject to certain exemptions, those Shareholders with a registered address in or who are located in and/or resident or are citizens of, in each case, a Restricted Jurisdiction) may apply for any whole number of Open Offer Shares up to their Open Offer Entitlement.

Qualifying Shareholders are also being given the opportunity to apply for additional Open Offer Shares at the Issue Price through the Excess Application Facility. The total maximum number of Open Offer Shares is fixed and will not be increased in response to applications under the Excess Application Facility. Such applications will therefore only be satisfied to the extent that Qualifying Shareholders do not take up their Open Offer Entitlements in full. All applications under the Excess Application Facility will be subject to the Excess Application Cap, which has been set at a level where it is possible for a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the date of this document in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full. If there is an over-subscription resulting from excess applications, allocations of Excess Shares will be determined by the Excess Allocation Method. Further details regarding the Excess Allocation Method are set out in paragraph 2 of Part 3. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The Open Offer is not a rights issue.

Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess 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 and Excess 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 or Excess Open Offer Entitlements will have no rights under the Open Offer or receive any proceeds from it. New Ordinary Shares not taken up by Qualifying Shareholders under the Open Offer will be allocated to Qualifying Shareholders who apply under the Excess Application Facility (in accordance with the Excess Allocation Method) with the proceeds ultimately accruing for the benefit of the Company. 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.

The Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for an Excess Open Offer Entitlement. Qualifying Non-CREST Shareholders who wish to apply to acquire more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 2 of Part 3 of this document for information on how to apply for Excess Open Offer Entitlement pursuant to the Excess Application Facility.

Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, allocations of Excess Shares will be determined by the Excess Allocation Method. Further details regarding the Excess Allocation Method are set out in paragraph 2 of Part 3 of this document. All applications under the Excess Application Facility will be subject to the Excess Application Cap, which has been set at a level where it is possible for a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the date of this document in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Application will be made for the Open Offer Entitlements and Excess Open Offer Entitlements in respect of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST on 4 May 2021. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

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

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements and Excess Open Offer Entitlements by 4 May 2021. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. If applications are made for less than all of the Open Offer Shares available, then the lower number of Open Offer Shares will be issued and any outstanding Open Offer Entitlements will immediately lapse.

Further details of the Open Offer and the terms and conditions on which it is being made, including the procedure for application and payment, are contained in Part 3 of this document and, for 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 19 May 2021**. Application Forms should be returned to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by such time.

If Admission does not occur on or before 8.00 a.m. on 20 May 2021 (or such later time and date as the Company, Shore Capital & Corporate and the Joint Brokers may agree, being not later than 4 June 2021), the Open Offer will not become unconditional and application monies will be returned to applicants, without interest, as soon as practicable thereafter.

Principal Terms of the Conditional Placing

The Company is proposing to issue up to 38,351,165 Conditional Placing Shares pursuant to the Placing Agreement. In accordance with the terms of the Placing Agreement, the Joint Brokers have, as agents for the Company, placed with certain existing and new institutional investors the Conditional Placing Shares at the Issue Price which are subject to clawback under the terms of the Open Offer.

Principal Terms of the Firm Placing

The Company is proposing to issue 16,093,279 Firm Placing Shares pursuant to the Placing Agreement. In accordance with the terms of the Placing Agreement, the Joint Brokers have, as agents for the Company, placed with certain existing and new institutional investors the Firm Placing Shares at the Issue Price. The Firm Placing Shares are not subject to clawback and are not part of the Open Offer or the Conditional Placing.

The Company and Shore Capital Stockbrokers have agreed to subscribe for ordinary shares in JerseyCo, a company incorporated in Jersey. Monies received from institutional investors subscribing for the Firm Placing Cashbox Shares under the Placing Agreement will be paid to an account with the JerseyCo Subscriber. The JerseyCo Subscriber (acting as principal) will apply the monies in such account to subscribe for redeemable preference shares in JerseyCo.

The Company will allot and issue the Firm Placing Cashbox Shares to those persons entitled thereto in consideration for the JerseyCo Subscriber transferring its holdings of ordinary shares and redeemable preference shares in JerseyCo to the Company. Accordingly, instead of receiving cash consideration for the issue of the Firm Placing Cashbox Shares, following completion of the Placing, the Company will own the entire issued share capital of JerseyCo, whose only asset will be the cash reserves representing an amount approximately equal to the net proceeds of the issue of the Firm Placing Cashbox Shares receivable under the Placing Agreement. The Company should be able to access those funds by redeeming the redeemable preference shares it holds in JerseyCo, or, alternatively, during any interim period prior to redemption, by procuring that JerseyCo lends the amount to the Company. The ability to realise distributable reserves in the Company will facilitate any potential distribution to Shareholders made by the Company in the future.

9. Overseas Shareholders

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

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

This document and any accompanying documents are not being made available to Overseas Shareholders with registered addresses in any Restricted Jurisdiction (subject to limited exceptions) and, subject to certain

exceptions, may not be treated as an invitation to subscribe for any New Ordinary Shares by any person located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction.

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

10. Dilution resulting from the Fundraising

Following the issue of New Ordinary Shares, Shareholders who take up their Open Offer Entitlements (but do not take up any Excess Open Offer Entitlements) in full will suffer a dilution of approximately 8.9 per cent. to their interests in the Company as a result of the Fundraising. The Board has sought to balance this dilution by making available the Excess Application Facility.

Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of up to 30.1 per cent. to their interests in the Company as a result of the Fundraising.

11. 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.

12. Placing Agreement

Under a placing agreement entered into between the Company, Shore Capital & Corporate and the Joint Brokers, each of the Joint Brokers have conditionally agreed to act as placing agent to the Company and to use reasonable endeavours to procure Placees to subscribe for the Firm Placing Shares and the Conditional Placing Shares at the Issue Price. The Conditional 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 Firm Placing and the Conditional Placing are conditional upon (amongst other things) the satisfaction of the following conditions:

- (a) Admission taking place no later than 8.00 a.m. on 20 May 2021 (or such later time and/or date as the Company and the Joint Brokers may agree being no later than 4 June 2021);
- (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 Firm Placing and the Conditional Placing prior to Admission.

The Placing Agreement contains certain customary warranties from the Company in favour of Shore Capital & Corporate and the Joint Brokers in relation to, *inter alia*, the accuracy of the information contained in this document and certain other matters relating to the Group and its business. In addition, the Company has given certain undertakings to Shore Capital & Corporate and the Joint Brokers and has agreed to indemnify

Shore Capital & Corporate and the Joint Brokers in relation to certain customary liabilities they may incur in respect of the Fundraising. Shore Capital & Corporate and the Joint Brokers have 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 Shore Capital & Corporate and the Joint Brokers and certain other costs and expenses in connection with the Fundraising and Admission.

13. Additional information

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

Details of the actions to be taken if you wish to apply for Open Offer Shares 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.

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.

Given the rapidly changing global situation, and the current uncertainty over the duration of the disruption caused by the Covid-19 pandemic, it is impossible to predict, with any certainty, the continuing impact on the Company's business. As such, this document should be considered against this backdrop and Shareholders should understand that there is a high level of uncertainty surrounding any forward-looking statements and assumptions stated in connection with the Fundraising.

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

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

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

Forward-looking statements

This document includes "forward-looking statements" which include all statements other than statements of historical facts including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "plan", "project", "believes", "estimates", "aims", "intends", "can", "may", "expects", "forecasts", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from its future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Group will operate in the future. Among the important factors that could cause the Company's actual results, performance or achievements to differ

materially from those implied by any forward-looking statements include factors in this Part 2 and elsewhere in this document. These forward-looking statements speak only as at the date of this document. Save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or FSMA), the Company, Shore Capital & Corporate and the Joint Brokers 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 or her. If any of the risks described in this document actually occurs, the Group may not be able to conduct its business as currently planned and its financial condition (including level of indebtedness), operating results and cash flows could be seriously harmed. In that case, the market price of the Ordinary Shares could decline and all or part of an investment in the Ordinary Shares could be lost. No inference ought to be drawn as to the order in which the following risk factors are presented as to their relative importance or potential effect.

Risks factors relating to the Company

Covid-19 may continue to disrupt our business

The Company has assessed, and continues to assess, the health, social and economic impact currently presented by Covid-19. However, there can be no guarantee that during, or at the end of, the pandemic, the Company will anticipate every eventuality that could impact its business.

The impact of the pandemic on public life, the global economy and industry is also affecting the Group's global supply chain. The operations of the Group's suppliers and logistics partners continue to be impacted by the Covid-19 pandemic, which could lead to the risk that suppliers may fail, or experience significant business interruption, delays or disruptions, such as a temporary suspension of operations, or longer-term problems in maintaining supply.

Although the Group implements, where possible, a variety of alternative solutions in the case of any delays or disruptions from specific suppliers, any such impacts of the pandemic may lead to shortages of supplies, or increased costs to secure such supplies, both during the pandemic and after, negatively impacting on the Group's own operations.

However, the situation is fluid. The ongoing nature and uncertainty of the pandemic in many countries, and the measures and restrictions in place (in particular, travel bans and quarantining by employees), continue to have the ability to impact the Group's business continuity, workforce, supply chain, relationships with third parties and, consequently, future revenues. Furthermore, the length and severity of the pandemic and pace of any post-pandemic recovery are not clear, and even after the pandemic has passed there may be longer-term impacts (for example on consumer and business behaviour). All of these could have a material adverse effect on the global economy in general, and on the operating results, business, financial condition and prospects of the Group.

Product prices from the Group's primary smoke alarm and connected products manufacturer may not be able to 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, there remain challenges in levels of utilisation and efficiency in the manufacturing process which is impacting product costing in the

short term. Whilst the Group's supply chain and technical teams are working with its primary manufacturing partner to ensure that efficiency is improved to reduce the future costs of production, and whilst all new products are designed to be manufactured in the most efficient way, if such challenges remain in the longer term, this may have a material adverse effect on the operating results, business, financial condition and prospects of the Group. In addition, the impact of the Covid-19 outbreak may lead to increases in the costs of the electronic components used in the Group's products, or in the timely availability of components for manufacture, which may detrimentally impact operating results.

Inability to multi-source production

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

Product warranty risk

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.

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.

Working capital and liquidity risk

Recent poor financial results may lead to reduced credit terms being offered by suppliers. The requirement to pay suppliers earlier than anticipated could put short term pressure on the Group's cash flows, lead to the deferral of investment decisions and in the worst case have a material adverse effect on its financial condition.

Changing trends in the marketplace

The introduction of connected home products and solutions with individuals and companies seeking to connect and monitor products in the home via the internet could potentially reduce the popularity of the Group's standalone safety product range. The Group is selling its own connected home solutions products and is 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 guarantee that new products, modifications or services will be successfully developed or, if developed, successfully sold to customers. This could affect the Group's future revenues and profits.

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.

Intellectual property risk

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

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

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

Any misappropriation of the Group's intellectual property could have a material adverse impact on the Group's business 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.

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 fulfil 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. The Group has on occasion financially supported its distributors with extensions to payment terms. From time to time, overstocking in the distribution channel may cause financial pressures on the Group and its third-party distributors depending on the sales conditions in the relevant market and could affect the Group's future revenues and profits.

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 Group's future revenues and profits.

Risks following the UK's exit from the European Union

As a result of the UK's Brexit referendum, the UK left the EU on 31 January 2020. A transition period was in place until 31 December 2020, during which all EU rules and laws continued to apply to the UK. On 1 January 2021, following the end of the transition period, provisional application of the EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**") took effect. The Trade and Cooperation Agreement sets out the rules of a new EU-UK partnership covering areas such as trade in goods and services, aviation and road transport, and UK participation in EU programmes.

The medium-long term impact of the Trade and Cooperation Agreement is still unknown and there remain areas where detailed arrangements between the UK and the EU are yet to be agreed. Changes to UK laws and regulations as a result of such detailed arrangements could impact the general and economic conditions in the UK, consumer confidence, and the value of the pound sterling, which may adversely affect the financial condition of the Group or its customers. If economic conditions, or the consumer perception of economic conditions, in the UK weaken as a result of Brexit, this may materially adversely influence customer spending decisions, and therefore materially adversely impact the Group's business, operations and financial condition.

The Group's primary manufacturing partner for smoke, heat and accessory products is based in Poland, and the imposition of customs checks at UK borders has increased lead times for deliveries of supplies. Further, any of the Group's suppliers suffering financial difficulties may also be unable to fulfil order arrangements, possibly at short notice, which could cause material disruption to the Group's business. In such a scenario, the Group would need to source alternative supply arrangements that may only be available on less advantageous terms. In addition, as the majority of the components that the Group buys are priced in US dollars, the continued weakness of the pound may increase costs when negotiating supplier contracts in the future.

Further, any decision by the UK to diverge from the rules and regulations of the EU may lead to greater restrictions on the free movement of goods, services, people and capital between the UK and the EU, as well as increased regulatory complexities. Any such restrictions could potentially disrupt and adversely impact the Group's business and the jurisdictions in which it operates. The effects of any such decision to diverge could also lead to legal uncertainty and may, directly or indirectly, increase compliance and operating costs for the Group, and could also have a material adverse effect on the Group's tax position, financial condition, business, prospects and results of operations.

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. 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.

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 Firm Placing 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 and/or may otherwise need to observe applicable legal requirements or other formalities to enable them to apply for Open Offer Shares under 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 38,351,165 Open Offer Shares at the Issue Price in order to raise up to approximately £6.9 million (before expenses) by way of the Open Offer.

The Open Offer is an opportunity for Qualifying Shareholders (other than, subject to certain exemptions, those Shareholders in Restricted Jurisdictions) to apply to subscribe for Open Offer Shares at the Issue Price in accordance with the terms of the Open Offer. Qualifying Shareholders are also being offered the opportunity to apply for additional Open Offer Shares in excess of their Open Offer Entitlements to the extent that other Qualifying Shareholders do not take up their Open Offer Entitlement in full.

There will be no more than 38,351,165 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, the Firm Placing Shares and the Conditional 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 30 April 2021, 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 or her by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer or upon any minimum level of proceeds being raised. For the purposes of section 578 of the Act, the Open Offer is being made on the basis that the Open Offer Shares and any Excess Shares subscribed for will be allotted in any event. Accordingly, even if the Open Offer is not fully subscribed, Open Offer Shares and any Excess Shares will be issued to Qualifying Shareholders who have applied for Open Offer Shares and any Excess Shares (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 paragraphs 6 and 7 of this Part 3.

2. The Open Offer

Open Offer Entitlements

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

10 Open Offer Shares for every 33 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 33 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 up to their Open Offer Entitlement. The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 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 and, if they so wish, may apply for Open Offer Shares in excess of their Open Offer Entitlement.

The maximum aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer (including any Open Offer Shares that may be issued under the Excess Application Facility) is 38,351,165 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 Form is not a negotiable document and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares 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.

Excess Application Facility

In addition to their Open Offer Entitlements the Excess Application Facility will enable Qualifying Shareholders, provided that they take up their Open Offer Entitlement in full, to apply for Excess Open Offer Entitlements. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Application Form. Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2 of this Part 3 for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Applications for Excess Open Offer Entitlements will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements.

Each Qualifying Shareholder's application under the Excess Application Facility will be subject to the Excess Application Cap, which will be:

- (i) the number of New Ordinary Shares for which the relevant Qualifying Shareholder is entitled to subscribe pursuant to their Open Offer Entitlement;
multiplied by
- (ii) 41.96 per cent.,
subject to any resulting fractions of Excess Shares being rounded down to the nearest whole number (the "**Excess Application Cap**").

Any application made by a Qualifying Shareholder which exceeds the relevant Shareholder's Excess Application Cap will be deemed to be an amount equal to the relevant Shareholder's Excess Application Cap.

The Excess Application Cap has been set at a level so as to enable a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the date of this document in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full.

Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Directors shall allocate Excess Shares using the following formula (the “**Excess Allocation Method**”).

Each Qualifying Shareholder who takes up their Open Offer Entitlements in full and applies for Excess Shares under the Excess Application Facility (an “**Excess Share Applicant**”) will be allocated a number of Excess Shares equal to:

- (i) the total number of New Ordinary Shares which have not been applied for by Qualifying Shareholders pursuant to their Open Offer Entitlements;
multiplied by
- (ii) the number of Excess Shares applied for by the Excess Share Applicant (being a number up to their Excess Application Cap) divided by the aggregate number of Excess Shares applied for by all Excess Share Applicants,
subject to any resulting fractions of Excess Shares being rounded down to the nearest whole number.

No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The Open Offer is being made and communicated to Shareholders pursuant to section 561 and section 562 of the Act. No allotment shall be made of any Open Offer Shares under the Excess Application Facility other than in compliance with section 561(1)(b) of the Act.

The Open Offer will be made to Shareholders outside the United Kingdom or an EEA State by means of a notice in the London Gazette, details of which are provided in paragraph 7 of this Part 3.

Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 30 April 2021 (being the date the Existing Ordinary Shares were marked “ex” 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 or her by the purchaser(s) or transferee(s) under the rules of the London Stock Exchange.

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

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 and Excess Open Offer Entitlements are expected to be admitted to CREST with effect from 4 May 2021.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, the Firm Placing Shares and the Conditional Placing Shares (if any). 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 20 May 2021 (or such later time and/or date as may be agreed between the Company, Shore Capital & Corporate and the Joint Brokers, but being no later than 8.00 a.m. on 4 June 2021).

Accordingly, if any of these conditions are not satisfied or waived (where capable of waiver) by 8.00 a.m. on 20 May 2021 (or such later time and/or date as may be agreed between the Company, Shore Capital &

Corporate and the Joint Brokers, but being no later than 8.00 a.m. on 4 June 2021), 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 4 June 2021. 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 20 May 2021.

Application will be made for the Open Offer Shares to be admitted to trading on AIM. Admission is expected to occur on 20 May 2021, 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 (and any Excess Open Offer Entitlements) or a Qualifying Shareholder has Open Offer Entitlements (and any Excess 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 and Excess CREST Open Offer Entitlements of such members held in CREST. CREST Members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to 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 paragraphs 6 and 7 of this Part 3 in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Application Form. The Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the number of Open Offer Shares 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 8 and then sign where indicated in Box 2.

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 33 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 8 of the Application Form and then sign where indicated in Box 2. 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 Excess Application Facility enables Qualifying Shareholders who have taken up their full Open Offer Entitlement to apply for Open Offer Shares in excess of their Open Offer Entitlement. Applications in excess of the Open Offer Entitlement will only be satisfied to the extent that applications made by other Qualifying Shareholders are less than their full Open Offer Entitlements and may therefore be scaled down at the Company's sole discretion.

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 17 May 2021. 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 (including under the Excess Application Facility) under the Open Offer may be a benefit which may be claimed by the purchaser(s) or transferee(s).

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

(c) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares (including under the Excess Application Facility) 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 19 May 2021**, 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) will 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 19 May 2021; or
- (ii) applications in respect of which remittances are received before 11.00 a.m. on 19 May 2021 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 or she 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 or she 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 or she 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 or she 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 or she is not relying and has not relied on Shore Capital & Corporate or the Joint Brokers or any other person affiliated with Shore Capital & Corporate or the Joint Brokers 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 the Joint Brokers;
- (vi) represents and warrants to the Company that he or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he or she received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vii) represents and warrants to the Company that if he or she has received some or all of his Open Offer Entitlements from a person other than the Company, he or she 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 or she will become entitled be issued to him or her 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 or she is not, nor is he or she applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which the making of the offer to him or her and/or the application for Open Offer Shares is prevented by law and he or she 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 making of the offer to him or her and/or the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Company is able to make and he or she 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, Shore Capital & Corporate or the Joint Brokers 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 or she is not, and nor is he or she 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.

(e) *The Excess Application Facility*

Subject to the terms and conditions of the Open Offer as set out in this Part 3, the Excess Application Facility enables Qualifying Shareholders who have taken up their Open Offer Entitlement in full to apply for additional Open Offer Shares.

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

All applications under the Excess Application Facility will be subject to the Excess Application Cap which has been set at a level where it is possible for a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the date of this document in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full. If there is an over subscription resulting from excess applications, allocations of Excess Shares will be determined by the Excess Allocation Method. Further details regarding the Excess Allocation Method are set out in paragraph 2 of this Part 3.

Therefore, applications under the Excess Application Facility may not be satisfied in full, in part or at all. In this event, Qualifying CREST Shareholders will receive a refund for those Open Offer Shares applied and paid for but not allocated. Qualifying Non-CREST Shareholders will receive the refund by cheque by first class post to the address set out on the Application Form.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Open Offer Shares will be rounded down to the nearest whole number.

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

(a) *General*

Subject as provided in paragraphs 6 and 7 of this Part 3 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to their stock account in CREST in respect of their Open Offer Entitlement together with a credit for their Excess CREST Open Offer Entitlements equal to the total number of Open Offer Shares minus their Open Offer Entitlement. Qualifying CREST Shareholders should note that this is not a cap on the maximum number of Excess Shares they can apply for and if they wish to apply for more Excess Shares than the Excess CREST Open Offer Entitlement they have been credited then they should contact the Shareholder helpline on 0121 585 1131 or +44 (0) 121 585 1131 (if calling from outside of the UK) to request an increased credit, ensuring to leave sufficient time for the additional Excess CREST Open Offer Entitlement to be credited to their account and for an application to be made in respect of those Excess CREST Open Offer Entitlements before the application deadline.

Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Open Offer Entitlements. Any Qualifying CREST Shareholders with fewer than 33 Existing Ordinary Shares will not receive an Open Offer Entitlement. Any Qualifying CREST Shareholder with fewer than 33 Existing Ordinary Shares will not be able to apply for Excess Shares pursuant to the Excess Application Facility. Further details of Excess Open Offer Entitlements can be found in paragraph 4.2(j) of this Part 3.

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

If for any reason the Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Qualifying CREST Shareholders cannot be credited, by 3.00 p.m. on 14 May 2021, 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 and Excess 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 (including any applications for Excess CREST Open Offer Entitlements) should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact 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 and Excess Open Offer Entitlements will constitute separate securities for the purposes of CREST and will have separate ISIN numbers. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess 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. The Excess Open Offer Entitlements will not be subject to Euroclear’s market claims process and will not transfer with the Open Offer Entitlement(s) claim. Please note that an additional USE instruction must be sent in respect of any application under the Excess Open Offer Entitlement.

(c) *USE instructions*

Qualifying CREST Shareholders who are CREST Members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and Excess 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 or Excess Open Offer Entitlements corresponding to the number of Open Offer Shares or Excess 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 or Excess 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 GB00BNKF7268;
- (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 19 May 2021; 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 19 May 2021.

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

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

CREST Members and, in the case of CREST Sponsored Members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 19 May 2021 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 20 May 2021 (or such later time and/or date as may be agreed between the Company and the Joint Brokers, but being no later than 8.00 a.m. on 4 June 2021), the Open Offer will lapse and the Open Offer Entitlements and the Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter.

(e) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00BNKF7375;
- (iii) the CREST participant ID of the accepting CREST Member;
- (iv) the CREST Member account ID of the accepting CREST Member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of 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 FASXS;
- (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 Excess Shares referred to in paragraph 4.2(e)(i) above;

- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 19 May 2021; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 19 May 2021.

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

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

CREST Members and, in the case of CREST Sponsored Members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 19 May 2021 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

(f) *Deposit of Open Offer Entitlements and Excess 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 and Excess 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 and Excess 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 19 May 2021.

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 or Excess Open Offer Entitlements in CREST, is 3.00 p.m. on 14 May 2021 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess Open Offer Entitlements from CREST is 4.30 p.m. on 13 May 2021, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and the Excess CREST 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 or the Excess CREST Open Offer Entitlements, as the case may be, prior to 11.00 a.m. on 19 May 2021.

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

beneficiary of a market claim, a representation and warranty that the relevant CREST Member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(g) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 19 May 2021 will constitute a valid application under the Open Offer.

(h) *CREST procedures and timings*

CREST Members and (where applicable) their CREST Sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Sponsored Member, to procure that his CREST Sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 19 May 2021. In this connection CREST Members and (where applicable) their CREST Sponsors are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(i) *Incorrect or incomplete applications*

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

- (i) to reject the application in full and refund the payment to the CREST Member in question, without payment of interest;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares and/or Excess 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 and/or Excess Shares referred to in the USE instruction, refunding any unutilised sum to the CREST Member in question, without payment of interest.

(j) *The Excess Application Facility*

Provided that a Qualifying CREST Shareholder chooses to take up their Open Offer Entitlement in full, the Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Any such applications will be granted at the absolute discretion of the Company.

Applications for Excess Open Offer Entitlements will be satisfied only and to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their Open Offer Entitlements. Once subscriptions by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall allocate Excess Shares according to the Excess Allocation Method. Further details regarding the Excess Allocation Method are set out in paragraph 2 of this Part 3. All applications under the Excess Application Facility will be subject to the Excess Application Cap which has been set at a level where it is possible for a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the date of this document in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part 3 in relation to certain Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST. The credit of such Excess CREST Open Offer Entitlement does not in any way give Qualifying CREST Shareholders a right to the

Open Offer Shares attributable to the Excess CREST Open Offer Entitlement as an Excess CREST Open Offer Entitlement is subject to scaling back in accordance with the terms of this document.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions above and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement(s) be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement(s) claim. Please note that an additional USE instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Fractions of Open Offer Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number.

(k) *Effect of valid application*

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

- (i) represents and warrants to the Company that he or she 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 or she 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 or she 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 or she 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 or she is not relying and has not relied on Shore Capital & Corporate or the Joint Brokers or any other person affiliated with Shore Capital & Corporate or the Joint Brokers 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 or she is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or Excess CREST Open Offer Entitlements or that he or she has received such Open Offer Entitlements or Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (viii) represents and warrants to the Company that if he or she has received some or all of his Open Offer Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he or she is entitled to apply under the Open Offer in relation to such Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;

- (ix) requests that the Open Offer Shares to which he or she will become entitled be issued to him or her 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 or she is not, nor is he or she applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Restricted Jurisdiction or any jurisdiction in which making of the offer to him or her and/or the application for Open Offer Shares is prevented by law and he or she 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 making of the offer to him or her and/or the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that the Company is able to make and he or she 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, Shore Capital & Corporate or the Joint Brokers 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 or she is not, and nor is he or she 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.
- (l) *Company's discretion as to the rejection and validity of applications*
The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST Member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 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 Receiving Agent in connection with CREST.

5. Money Laundering Regulations

5.1 Holders of Application Forms

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

The person lodging the Application Form with payment and in accordance with the other terms as described above (the “**acceptor**”), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares 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 the Sterling equivalent of €15,000 (approximately £13,039.50 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: Re clients account” in respect of an application by a Qualifying Shareholder and crossed “A/C Payee Only” in each case. Third party cheques may not be accepted with the exception of building society

cheques 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, Israel, Japan, Malaysia, Mexico, New Zealand, Norway, Russian Federation, Singapore, the Republic of Korea, the Republic of South Africa, Switzerland, Turkey and the United States 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 should contact Neville Registrars Limited on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday excluding public holidays in England and Wales.

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

If the Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,039.50 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 or she should ensure that he or she has with him or her 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 19 May 2021, 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 and Excess Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements or Excess Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements (and Excess 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 located in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, Shore Capital & Corporate or the Joint Brokers 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 and/or a credit of Excess Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

No person receiving a copy of this document and/or an Application Form and/or a credit of Open Offer Entitlements and/or a credit of Excess 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 or her, nor should he or she 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 or her and such Application Form and/or credit of Open Offer Entitlements and/or a credit of Excess Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention by him or her, the Company, the Receiving Agent, Shore Capital & Corporate, the Joint Brokers or otherwise 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 or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, Shore Capital & Corporate or the Joint Brokers (nor any of their respective affiliates or 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 and/or a credit of Excess Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess 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 and/or a credit of Excess 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 or she 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 and/or transfers Excess 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 or herself 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 or Excess Shares that appears to the Company or its agents to have been executed, effected or dispatched by a Qualifying Shareholder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction or on behalf of such a person by their agent or intermediary or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or, in the case of a credit of Open Offer Entitlements or Excess Open Offer Entitlements to a stock account in CREST, to a CREST Member whose registered address would be, in a Restricted Jurisdiction or any other jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit.

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

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction to apply for Open Offer Shares or Excess 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 or Excess 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, Qualifying Shareholders with a registered address in or who are located and/or resident in

or are citizens of, in each case, a Restricted Jurisdiction will not be sent an Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess Open Offer Entitlements. Please see paragraph 7 below.

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

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

6.2 United States

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

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

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

The Open Offer will be made to Shareholders outside the United Kingdom or an EEA State by means of a notice in the London Gazette, details of which are provided in paragraph 7 of this Part 3. The Open Offer Shares 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 to and agreed with the Company, Shore Capital & Corporate and the Joint Brokers, 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, Shore Capital & Corporate or the Joint Brokers 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 is 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 subject to certain exemptions. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or the merits of the Open Offer Shares, and any representation to the contrary is an offence.

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

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

6.4 Australia

Neither this document nor the Application Form has been lodged with, or registered by, the Australian Securities and Investments Commission. A person may not: (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 located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction except pursuant to an applicable exemption.

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

6.6 Other overseas territories

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

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

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

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

6.7 Representations and warranties relating particularly to Overseas Shareholders

(a) Qualifying Non-CREST Shareholders

Any person completing and returning an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company and the Receiving Agent that, except where proof has been provided to the Company's satisfaction that the making of the offer to him or her and such person's acceptance thereof and such person's use of the Application Form will not result in the contravention by him or her, the Company, the Receiving Agent, Shore Capital & Corporate the Joint Brokers or otherwise 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
- (ii) 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
- (iii) purports to exclude the representation and warranty required by this sub-paragraph 6.7(a).

(b) Qualifying CREST Shareholders

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with the procedures set out in this Part 3 represents and warrants to the Company that, except where proof has been provided to the Company's satisfaction that the making of the offer to him or her and such person's acceptance will not result in the contravention by him or her, the Company, the Receiving Agent, Shore Capital & Corporate, the Joint Brokers or otherwise of any applicable legal requirement in any jurisdiction: (i) neither it nor its client is within any Restricted Jurisdiction; (ii) neither it nor its client is in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (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 paragraph 7 and of any other terms of the Open Offer including those relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company, in its absolute discretion. Subject to this, the provisions of paragraphs 6 and 7 supersede any terms of the Open Offer inconsistent herewith. References in paragraphs 6 and 7 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of paragraphs 6 and 7 shall apply to them jointly and to each of them.

7. Notice in the London Gazette

In accordance with section 562(3) of the Companies Act, the offer to Shareholders who have no registered address in the United Kingdom or in an EEA State and who have not given to the Company an address in the United Kingdom or an EEA State for the service of notices, will (subject to the conditions of the Open Offer) be made by the Company causing a notice to be published in the London Gazette on 4 May 2021 stating where copies of this document and the Application Form may be obtained or inspected on personal application by or on behalf of such Qualifying Shareholders. Any person with a registered address, or who is resident or located, in the United States or any of the Restricted Jurisdictions or any other jurisdictions where the extension and availability of the Open Offer would breach any applicable law who obtains a copy of this document or an Application Form is required to disregard them, except with the consent of the Company.

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

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

8. No withdrawal rights

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

9. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 19 May 2021. Application will be made to AIM for admission to trading of the Open Offer Shares. It is expected that, subject to the Open Offer becoming unconditional in all respects (save for Admission), Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 20 May 2021.

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 and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 19 May 2021 (being the latest date for receipt of completed 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 19 May 2021, 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 20 May 2021). The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST Member account IDs in respect of which the USE instruction was given.

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

For Qualifying Non-CREST Shareholders who have applied by using an Application Form, share certificates in respect of the Open Offer Shares validly applied for are expected to be despatched by post by no later than 4 June 2021. 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.

10. Times and dates

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

11. Governing law and jurisdiction

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

12. Further Information

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

PART 4

QUESTIONS AND ANSWERS ABOUT THE FUNDRAISING

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

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

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

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult 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 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 38,351,165 Open Offer Shares at a price of 18 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 in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction, you will be entitled to apply for Open Offer Shares under the Open Offer and can also apply for Excess Shares under the Excess Application Facility.

The Open Offer is being made on the basis of 10 Open Offer Shares for every 33 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. Further Open Offer Shares in excess of your Open Offer Entitlement will be available through the Excess Application Facility, although such Excess Shares will only be allotted to the extent that not all Qualifying Shareholders apply for their Open Offer Entitlement in full. The Issue Price of 18 pence per Open Offer Share represents a discount of approximately 19.6 per cent. to the Closing Price of 22.4 pence on the Latest Practicable Date.

Qualifying Shareholders are also being given the opportunity, provided that they take up their Open Offer Entitlement in full, to apply for Excess Shares through the Excess Application Facility. Once

subscriptions received by Qualifying Shareholders under their respective Open Offer Entitlements have been satisfied, the Company shall allocate Excess Shares in accordance with the Excess Allocation Method. Further details regarding the Excess Allocation Method are set out in paragraph 2 of Part 3. All applications under the Excess Application Facility will be subject to the Excess Application Cap, which has been set at a level where it is possible for a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the Latest Practicable Date in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

The number of available Open Offer Shares under the Excess Application Facility is dependent on the level of take-up of Open Offer Entitlements. Assuming that there is no Overseas Shareholder who has a registered address in, or is a resident in or a citizen of a Restricted Jurisdiction, and if every Qualifying Shareholder takes up their Open Offer Entitlements in full there will be no Open Offer Shares available under the Excess Application Facility.

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

2. What is a placing?

A placing is a way for companies to raise money by issuing shares on a non-pre-emptive basis to institutional investors. The Company is proposing to issue 16,093,279 Firm Placing Shares pursuant to the Firm Placing. The Firm Placing Shares are not being offered first to Shareholders generally, whereas the Conditional Placing Shares are being offered first to Shareholders pursuant to the terms of the Open Offer.

The Firm Placing Shares will represent approximately 8.9 per cent. of the Enlarged Share Capital immediately following Admission and are not subject to clawback under, nor do they form part of, the Open Offer. The Conditional Placing Shares will represent approximately 21.2 per cent. of the Enlarged Share Capital immediately following Admission and are subject to clawback under the Open Offer.

The Firm Placing is expected to raise approximately £2.9 million gross proceeds, and the Conditional Placing is expected to raise approximately £9.8 million gross proceeds (assuming there are no valid applications under the Open Offer).

The Placing Agreement is conditional on, among other things: (i) the Admission of the New Ordinary Shares to AIM; (ii) the Placing Agreement becoming unconditional in all respects (save for the condition relating to Admission); and (iii) the Placing Agreement not having been terminated in accordance with its terms.

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

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address in or who is located and/or resident in or is a citizen of, in each case, a Restricted Jurisdiction or any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 30 April 2021 (the time when the Existing Ordinary Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

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

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address in or are located and/or resident in or a citizen of, in each case, a Restricted

Jurisdiction or any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares, you will be sent an Application Form that shows:

- I how many Existing Ordinary Shares you held at the close of business on the Record Date;
- I 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 or are located and/or resident in or a citizen of, in each case, a Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of, all of or more than 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 19 May 2021, after which time Application Forms will not be valid.

5. 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. However, other Qualifying Shareholders may apply for them as part of their Excess Open Offer Entitlement through the Excess Application Facility.

You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form applying for the Open Offer Shares to which you are entitled by 11.00 a.m. on 19 May 2021, then following the issue of the Open Offer Shares (including any Excess Shares that may be issued under the Excess Application Facility) pursuant to the Open Offer, your interest in the Company will be diluted.

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

If you want to take up some, but not all of the Open Offer Shares 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 £0.18, which is the price in pounds of each Open Offer Share (giving you an amount of £4.50 in this example). You should write this amount in Box 9, rounding up to the nearest whole penny and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received by them by no later than 11.00 a.m. on 19 May 2021 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.

Subject to Admission of the Open Offer Shares, a definitive share certificate will 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 4 June 2021.

(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 19 May 2021, 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.

Subject to Admission of the Open Offer Shares, a definitive share certificate will 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 4 June 2021.

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

Provided that you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares using the Excess Application Facility. You should write the number of Open Offer Shares you wish to take up in Box 6, which must be the number of Open Offer Shares shown in Box 4. You should then write the number of Open Offer Shares you wish to apply for under the Excess Application Facility in Box 7 and then complete Box 8 by adding together the numbers you have entered in Boxes 6 and 7.

To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares shown in Box 8 by £0.18, which is the price of each Open Offer Share. You

should write this amount in Box 9, rounding up to the nearest whole penny. You should then return your Application Form together with your cheque or banker's draft for that amount, payable to "Neville Registrars Limited Re: clients account" by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, to arrive **by no later than 11.00 a.m. on 19 May 2021**, after which time the Application Form will not be valid.

You should allow at least four Business Days for delivery if using first-class post or the reply-paid envelope within the United Kingdom. If posting from outside the United Kingdom postage will be payable when using the reply-paid envelope. Full instructions are set out in the Application Form.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of Open Offer Entitlements, such applications will be scaled back according to the Excess Allocation Method. Further details regarding the Excess Allocation Method are set out in paragraph 2 of Part 3 of this document. All applications under the Excess Application Facility will be subject to the Excess Application Cap, which has been set at a level where it is possible for a Qualifying Shareholder to maintain (but not exceed) its percentage shareholding in the Company as at the Latest Practicable Date in circumstances where other Qualifying Shareholders have not subscribed for their Open Offer Entitlements in full. Therefore, applications under the Excess Application Facility may not be satisfied in full, in part or at all. In this event, Qualifying CREST Shareholders will receive a refund in respect of those Open Offer Shares applied and paid for but not allocated, not later than 4 business days following the date that the results of the Open Offer are announced.

Qualifying Non-CREST Shareholders will receive the refund by cheque by first class post to the address set out on the Application Form. Any refunds that are made will be at the investors' risk and without interest.

Subject to Admission of the Open Offer Shares, a definitive share certificate will be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 4 June 2021.

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

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

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

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

- I Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at 6.00 p.m. on 29 April 2021 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 6.00 p.m. on 29 April 2021 but were not registered as the holders of those shares at the close of business at 6.00 p.m. on 29 April 2021; and
- I 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.

8. 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.

9. 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.

10. 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.

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

If you hold Existing Ordinary Shares directly and you sold some or all of your Existing Ordinary Shares before 29 April 2021, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sold any of your Existing Ordinary Shares on or after 29 April 2021 but before 30 April 2021, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

12. 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.

13. 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.

14. 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.

15. 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 19 May 2021, 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.

16. 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.

17. 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 4 June 2021.

18. 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.

19. 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.

20. 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 or residents of the United States or any other Restricted Jurisdiction may subject to certain exceptions, not be eligible to participate in the Open Offer and/or may need to observe certain formalities to enable you to take up your Open Offer Entitlement. Your attention is drawn to the information in paragraphs 6 and 7 of Part 3 of this document.

21. 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 (as amended 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 5 of this document
“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
“Conditional Placing”	the conditional placing of the Conditional Placing Shares by the Company announced on 30 April 2021
“Conditional Placing Shares”	the 38,351,165 New Ordinary Shares which are the subject of the Conditional Placing
“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 in the CREST Manual
“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
“EEA”	the European Economic Area first established by the agreement signed at Oporto on 2 May 1992
“EEA State”	a state which is a contracting party to the agreement on the EEA signed at Oporto on 2 May 1992, as it has effect for the time being
“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 (but no others) are issued
“Estimated Expenses”	the estimated expenses incurred in connection with the Fundraising, being £0.8 million, assuming all New Ordinary Shares are issued
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Euros” or “€”	the single European currency unit
“Excess Allocation Method”	the Excess Allocation Method described in paragraph 2 of Part 3 of this document
“Excess Application Cap”	the Excess Application Cap defined in paragraph 2 of Part 3 of this document
“Excess Application Facility”	the arrangement pursuant to which Qualifying Shareholders may apply for Open Offer Shares in excess of their Open Offer Entitlement
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder, the entitlement to apply for Open Offer Shares in addition to such holder’s Open Offer Entitlement credited to their stock account in CREST, pursuant to the Excess Application Facility, which is conditional on them taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the Excess Allocation Method and the provisions of this document
“Excess Open Offer Entitlements”	an entitlement for each Qualifying Shareholder to apply to subscribe for Open Offer Shares in addition to their Open Offer Entitlement pursuant to the Excess Application Facility which is conditional on them taking up their Open Offer Entitlement in full and which may be subject to scaling back in accordance with the provisions of this document
“Excess Share Applicant”	each Qualifying Shareholder who has (i) taken up its Open Offer Entitlement in full and (ii) applied for Excess Shares under the Excess Application Facility
“Excess Shares”	Open Offer Shares in addition to the Open Offer Entitlement for which Qualifying Shareholders may apply under the Excess Application Facility

“Existing Ordinary Shares”	the issued share capital of the Company as at the date of this document, being 126,558,845 Ordinary Shares
“FCA”	the United Kingdom Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
“Firm Placing”	the placing of the Firm Placing Shares with certain existing Shareholders and new investors pursuant to the terms of the Placing Agreement
“Firm Placing Shares”	16,093,279 New Ordinary Shares to be allotted and issued by the Company pursuant to the Placing Agreement, including the Firm Placing Cashbox Shares
“Firm Placing Cashbox Shares”	means 9,765,337 New Ordinary Shares to be issued in connection with the Firm Placing to those persons entitled thereto in consideration for the JerseyCo Subscriber transferring its ordinary shares and redeemable preference shares in JerseyCo to the Company
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	the Firm Placing, Open Offer and Conditional Placing
“Gross Proceeds”	the proceeds from the issue of the New Ordinary Shares prior to the deduction of the Estimated Expenses, being £9.8 million, assuming all New Ordinary Shares are issued
“Group”	the Company and its subsidiaries from time to time
“Issue Price”	18 pence per New Ordinary Share
“JerseyCo”	Project Hurricane Limited
“JerseyCo Subscriber”	Shore Capital Stockbrokers
“Joint Brokers”	together, Shore Capital Stockbrokers and N+1 Singer
“Latest Practicable Date”	29 April 2021
“London Stock Exchange”	London Stock Exchange plc
“Money Laundering Regulations”	the Anti-Terrorism, Crime and Security Act 2001, the Proceeds of Crime Act 2002 (as amended) and the Money Laundering and Terrorist Financing (Amendment) Regulations 2019 (as amended)
“N+1 Singer”	Nplus1 Singer Capital Markets Limited (together with its affiliated entities), acting as the Company’s joint broker, which is incorporated as a private limited company in England and Wales with company number 05792780
“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, being up to 54,444,444 new Ordinary Shares
“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 10 Open Offer Shares for every 33 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 up to 38,351,165 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 a registered address in or who are located and/or resident in or are a citizen of, in each case, a Restricted Jurisdiction
“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 agreed to subscribe for Firm Placing Shares or conditionally agreed to subscribe for Placing Shares
“Placing”	the Conditional Placing of the Conditional Placing Shares and the Firm Placing of the Firm Placing Shares by the Company announced on 30 April 2021
“Placing Shares”	together, the Firm Placing Shares and the Conditional Placing Shares
“Prospectus Regulation”	in relation to each Member State of the European Economic Area, Regulation (EU) 2017/1129 and, in relation to the United Kingdom, Regulation (EU) 2017/1129 (as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018) (as the context requires)
“Prospectus Regulation Rules”	the prospectus regulation rules published by the FCA under section 73A of FSMA
“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
“Record Date”	6.00 p.m. on 29 April 2021
“Registrars” or “Receiving Agent”	Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD
“Restricted Jurisdiction”	each and any of the United States, Australia, Canada, Japan, the Republic of South Africa and New Zealand
“RIS” or “Regulatory Information Service”	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

“Shore Capital”	Shore Capital & Corporate and/or Shore Capital Stockbrokers, as appropriate
“Shore Capital & Corporate”	Shore Capital and Corporate Limited and, where the context allows, its affiliates, the Company’s nominated adviser, which is incorporated as a private limited company in England and Wales with company number 02083043
“Shore Capital Stockbrokers”	Shore Capital Stockbrokers Limited and, where the context allows, its affiliates, acting as the Company’s joint broker, which is incorporated as a private limited company in England and Wales with company number 01850105
“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”, “sterling”, “Pence” or “pence”	the lawful currency of the United Kingdom

