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If you sell or transfer or have sold or otherwise transferred all of your Existing Ordinary Shares before 3 October 2022 (being the date when the Existing Ordinary Shares were marked 'ex' entitlement to the Open Offer), please immediately forward this document, together with the accompanying Form of Proxy and Application Form along with the accompanying reply-paid envelope (for use within the UK only), to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Existing 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 in the Application Form (if relevant).

The total consideration under the Open Offer shall be less than €8 million (or an equivalent pounds sterling amount) in aggregate and so, in accordance with section 85 and schedule 11A of FSMA, the Open Offer does not require the issue of a prospectus for the purposes of the Prospectus Rules. The Placing Shares are only available to qualified investors for the purposes of the Prospectus 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 Rules made by the FCA pursuant to sections 73A(1) and (4) of FSMA and has not been pre-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. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules. It is emphasised that no application is being made for the admission of the Existing Ordinary Shares or the New Ordinary Shares to the Official List of the United Kingdom Listing Authority.

The Directors, whose names appear on page 1 of this document, accept responsibility, collectively and individually, for the information contained in this circular (including any expressions of opinion). To the best of the knowledge of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Existing Ordinary Shares are admitted to trading on AIM. Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject to, inter alia, the passing of the Resolutions at the General Meeting, it is expected that Admission will become effective, and that dealings in the New Ordinary Shares will commence, on or around 21 October 2022. The New Ordinary Shares will, on Admission, rank pari passu in all respects with the Existing Ordinary Shares, and will rank in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission.

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 United Kingdom Listing Authority. 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. The London Stock Exchange has not itself examined or approved the contents of this document. Prospective investors should read this document in its entirety.

XEROS TECHNOLOGY GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with number 08684474)

**Placing and Subscription of 120,000,000 new Ordinary Shares at 5 pence per share,
Open Offer of a maximum of 20,386,699 new Ordinary Shares at 5 pence per share,
issue of up to 140,386,699 Warrants and Capital Reorganisation**

and

Notice of General Meeting



as nominated adviser, broker and bookrunner

This document should be read as a whole. However, your attention is drawn to the letter from the Chairman of the Company which is set out in this document and which contains, amongst other things, the Directors' unanimous recommendation that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

finnCap Ltd ("**finnCap**"), which is authorised and regulated in the UK by the FCA, as nominated adviser, broker and bookrunner, is acting exclusively for the Company and no one else in relation to the Placing and Admission. finnCap is not acting for, and will not be responsible to, any person other than the Company and no one else for providing the protections afforded to clients of finnCap or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. The responsibility of finnCap as nominated adviser under the AIM Rules is owed solely to the London Stock Exchange and not to

the Company or its Directors or any other person. finnCap has not authorised the contents of this document and, apart from the responsibilities and liabilities, if any, which may be imported on finnCap by FSMA or the regulatory regime established thereunder, no liability is accepted by finnCap for the accuracy of any information or opinions contained in or for the omission of any information from this document, for which the Company and the Directors are solely responsible.

Notice of a general meeting of the Company to be held at the offices of Squire Patton Boggs (UK) LLP at Premier Place, 2 & A Half Devonshire Square, London EC2M 4UJ at 10.00 a.m. on 20 October 2022 is set out at the end of this document. Shareholders will find the Form of Proxy for use at the General Meeting accompanying this document. The Form of Proxy should be completed and returned to the Registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received no later than 10.00 a.m. on 18 October 2022 (or, in the case of an adjournment of the general meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

A copy of this document will be made available at the Company's website, www.xerostech.com. The contents of the Company's website or any website directly or indirectly linked to the Company's website do not form part of this document.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the Placing and/or the Open Offer and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, finnCap or their respective directors, partners, officers or employees.

The distribution of this document and the offer of the New Ordinary Shares in certain jurisdictions may be restricted by law. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons outside of the UK into whose possession this document comes should inform themselves about and observe any such restrictions.

This document does not constitute or form part of any offer or invitation to sell or issue or a solicitation of any offer to acquire, purchase or subscribe for New Ordinary Shares or any Warrants in any jurisdiction. This document must not be distributed to a US person (as such term is defined in the US Securities Act of 1933, as amended (the "**Securities Act**")) or within or into the United States, Canada, Japan, South Africa, Australia or the Republic of Ireland. The New Ordinary Shares have not been and will not be registered under the Securities Act, and may not be offered or sold or subscribed, directly or indirectly, within the United States, Canada, Japan, South Africa, Australia or the Republic of Ireland or to or by any US Person (as such term is defined in Regulation S promulgated under the Securities Act) or any national resident or citizen of Canada, Japan, South Africa, Australia or the Republic of Ireland or any corporation, partnership or other entity created or organised under the laws thereof.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed on or endorsed the merits of the Placing and/or Open Offer or the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

UK PRODUCT GOVERNANCE REQUIREMENTS

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR 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 investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraphs 3.5 and 3.6 of COBS; and (ii) eligible for distribution through all permitted distribution channels (the "Target Market Assessment"). Notwithstanding the 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 Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Placing/ and or Open Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, finnCap will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively 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.

CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "targets", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. No statement in this document is intended to be a profit forecast and no statement in this document should be interpreted to mean that earnings per share of the Company for the current or future years would necessarily match or exceed the historical published earnings per share of the Company.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the

forward-looking statements in this document. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements that the Company makes in this document speak only as of the date of such statement, and none of the Company or the Directors undertake any obligation to update such statements unless required to do so by applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors:	Klaas de Boer (<i>Chairman</i>) David Christopher Armfield (<i>Senior Independent Director</i>) Neil Alexandre Austin (<i>Chief Executive Officer</i>) Paul Michael Denney (<i>Chief Financial Officer</i>) David Graham Baynes (<i>Non-Executive Director</i>) Rachel Nooney (<i>Non-Executive Director</i>)
All of whose business address is	The Company's registered office
Company Secretary:	Paul Michael Denney
Registered Office:	Xeros Technology Group plc Unit 2, Evolution Advanced Manufacturing Park Whittle Way Catcliffe Rotherham South Yorkshire S60 5BL
Nominated Adviser, Broker and Bookrunner:	finnCap Ltd 1 Bartholomew Close London EC1A 7BL
Solicitors to the Company:	Squire Patton Boggs (UK) LLP Premier Place 2 & A Half Devonshire Square London EC2M 4UJ
Solicitors to finnCap:	Freeths LLP 1 Vine Street London W1J 0AH
Auditors:	Grant Thornton UK LLP 1 Whitehall Riverside Leeds LS1 4BN
Registrars:	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

PLACING AND OPEN OFFER STATISTICS

Closing Price per Existing Ordinary Share ⁽¹⁾	18.25 pence
Basis of Open Offer	6 Open Offer Shares for every 7 Existing Ordinary Shares
Issue Price per New Ordinary Share	5 pence
Discount to Closing Price per Existing Ordinary Share	72.6%
Number of Ordinary Shares in issue as at the date of this document	23,784,483
Aggregate number of Warrants	Up to 140,386,699
Number of Ordinary Shares proposed to be in issue following the Capital Reorganisation	23,784,483
Number of New Ordinary Shares to be issued by the Company pursuant to the Placing and following the Capital Reorganisation	120,000,000
Placing Shares as a percentage of the Enlarged Share Capital immediately following Admission ⁽²⁾	73.1%
Number of New Ordinary Shares to be issued by the Company pursuant to the Open Offer and following the Capital Reorganisation ⁽²⁾	20,386,699
Open Offer Shares as a percentage of the Enlarged Share Capital immediately following Admission ⁽²⁾	12.4%
Total number of New Ordinary Shares to be issued by the Company pursuant to the Placing and Open Offer and following the Capital Reorganisation ⁽²⁾	140,386,699
Total number of New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following Admission ⁽²⁾	85.5%
Number of Ordinary Shares in issue following the Capital Reorganisation immediately following Admission ⁽²⁾	164,171,182
Estimated Net Proceeds ⁽³⁾	£6.5 million
Ordinary Share ISIN	GB00BMGYBJ57
SEDOL	BMGYBJ5
Basic Entitlements ISIN	GB00BMTWWD71
Excess Entitlements ISIN	GB00BMTWXZ66

(The above assumes that there are no further issues of Ordinary Shares between the date of this document and Admission).

Notes:

1. As at 29 September 2022, being the last working day prior to the announcement of the Placing and Open Offer.
2. Assuming successful applications are received for all available Open Offer Shares.
3. Based on the Estimated Expenses and assuming successful applications are received for all available Open Offer Shares but not the issue of any new Ordinary Shares following exercise of the Warrants.

EXPECTED TIMETABLE OF KEY EVENTS

2022

Announcement of the Placing and Open Offer	30 September 2022
Record Date for entitlements under the Open Offer	6.00 p.m. on 29 September 2022
Ex-entitlement date for the Open Offer	8.00 a.m. 3 October 2022
Posting of this document, the Form of Proxy and, to Qualifying Non-CREST Shareholders only, the Application Form	3 October 2022
Basic Entitlements and Excess Entitlements credited to stock accounts of Qualifying CREST Shareholders	4 October 2022
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4.30 p.m. on 13 October 2022
Latest time and date for depositing Basic Entitlements and Excess Entitlements into CREST	3.00 p.m. on 14 October 2022
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 17 October 2022
Latest time and date for receipt of Forms of Proxy or electronic proxy appointments for use at the General Meeting	10.00 a.m. on 18 October 2022
Latest time and date for receipt of completed Application Forms from Qualifying Non-CREST Shareholders and payment in full under the settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 19 October 2022
General Meeting	10.00 a.m. on 20 October 2022
Announcement of the results of the Open Offer	19 October 2022
Announcement of the results of the General Meeting	20 October 2022
Record Date for the Capital Reorganisation	6:00 p.m. on 20 October 2022
Admission and commencement of dealings in the New Ordinary Shares	8.00 a.m. on 21 October 2022
CREST Members' accounts credited in respect of New Ordinary Shares in uncertificated form	21 October 2022
Expected despatch of definitive share certificates for New Ordinary Shares in certificated form and certificates in respect of the Warrants	9 November 2022

Notes:

1. Each of the above dates is subject to change at the absolute discretion of the Company or finnCap.
2. All events listed in the above timetable following the General Meeting are conditional on, *inter alia*, the passing of the Resolutions at the General Meeting.
3. All of the above times refer to London times.

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 and such admission becoming effective in accordance with the AIM Rules
" AIM "	a market operated by the London Stock Exchange
" AIM Rules "	the rules for AIM companies and their nominated advisers issued by the London Stock Exchange
" 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
" Basic Entitlement(s) "	the pro rata entitlement of Qualifying Shareholders to subscribe for 6 Open Offer Shares for every 7 Existing Ordinary Shares registered in their name as at the Record Date, on and subject to the terms of the Open Offer
" bona fide market claim "	has the meaning given to it on page 35
" Capital Reorganisation "	the proposed subdivision of the Company's 23,784,483 Existing Ordinary Shares of 15 pence into 23,784,483 ordinary shares of 0.1 pence and 23,784,483 Deferred Shares of 14.9 pence in accordance with Resolution 2
" Closing Price "	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange on 29 September 2022
" Company "	Xeros Technology Group plc (company number: 08684474)
" 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 Manual "	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996, as amended)
" CREST Member "	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations)
" CREST Regulations "	The Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended)
" CREST Sponsor "	a CREST participant admitted to CREST as a sponsor
" CREST Sponsored Member "	a CREST Member admitted to CREST as a sponsored member
" Current Articles "	the articles of association of the Company dated 25 November 2020

"Directors" or "Board"	the board of directors of the Company
"Enlarged Share Capital"	the issued share capital of the Company immediately following Admission comprising the Existing Ordinary Shares and the New Ordinary Shares
"Estimated Expenses"	the estimated expenses incurred in connection with the Placing and Open Offer, being approximately £500,000
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST
"Excess Application" or "Excess Shares"	the Open Offer Shares which may be applied for by Qualifying Shareholders under the Excess Application Facility
"Excess Application Facility"	the arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Basic Entitlements in accordance with the terms and conditions of the Open Offer
"Excess Entitlement(s)"	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement (in addition to the Basic Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to his stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling down according to the Directors' absolute discretion
"Existing Ordinary Shares"	the 23,784,483 Ordinary Shares in issue at the date of this document, all of which are admitted to trading on AIM and being the entire issued ordinary share capital of the Company
"FCA"	the UK's Financial Conduct Authority
"finnCap"	finnCap Ltd, Nominated advisor, Broker and Bookrunner to the Company
"Form of Proxy"	the form of proxy for use in connection with the General Meeting accompanying this document
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"Fundraising"	together the Placing and Open Offer
"General Meeting"	the general meeting of the Company convened for 10.00 a.m. on 20 October 2022 to approve the Resolutions, or any adjournment thereof, notice of which is set out at the end of this document
"Gross Proceeds"	the proceeds from the issue of the New Ordinary Shares, prior to the deduction of the Estimated Expenses, being up to approximately £7.0 million
"Group"	the Company and its subsidiaries Xeros Limited, Xeros Inc., and Xeros Environmental Protection Technology (Shanghai) Co., Ltd.
"IFB"	IFB Industries Limited
"ISIN"	International Securities Identification Number

"Issue Price"	5 pence per New Ordinary Share
"Listing Rules"	the listing rules of the FCA made in accordance with section 73A(2) of FSMA
"London Stock Exchange"	London Stock Exchange plc
"Money Laundering Regulations"	the Money Laundering Regulations 2007, the money laundering provisions of the Criminal Justice Act 1993, Part VIII of FSMA (together with the provisions of the Money Laundering Sourcebook of the FCA and the manual of guidance produced by the Joint Money Laundering Steering Group in relation to financial sector firms), the Terrorism Act 2000, the Anti Terrorism Crime and Security Act 2001, the Proceeds of Crime Act 2002 and the Terrorism Act 2006
"Net Proceeds"	the proceeds from the issue of the New Ordinary Shares, after the deduction of Estimated Expenses, being up to £6.5 million
"New Articles"	the proposed new articles of association to be adopted in the event Resolution 3 as set out in the notice is passed at the General Meeting
"New Ordinary Shares"	the Placing Shares and the Open Offer Shares
"Notice of General Meeting"	the notice of the General Meeting set out at the end of this document
"OEM"	an original equipment manufacturer
"Open Offer"	the 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 Shares"	20,386,699 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"	ordinary shares of 15 pence each in the capital of the Company and following the Capital Reorganisation the ordinary shares of 0.1 pence each in the capital of the Company
"Overseas Shareholders"	shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
"Panel"	the UK Panel on Takeovers and Mergers
"Placing"	the proposed placing by finnCap, as agents to the Company, of the Placing Shares at the Issue Price on a non-pre-emptive basis, on the terms and conditions set out in the Placing Agreement and/or the Subscription Agreement or subscription letters (as applicable)
"Placing Agreement"	the agreement between the Company and finnCap dated 30 September 2022 in connection with the Placing and Open Offer

"Placing Shares"	120,000,000 New Ordinary Shares to be allotted and issued to new and existing institutional investors by the Company pursuant to the Placing
"Prospectus Regulation"	EU Regulation 2017/1129 (which forms part of UK domestic law pursuant to the European Union (Withdrawal) Act 2018) on the requirements for a prospectus to be published when securities are offered to the public or admitted to trading
"Prospectus Rules"	the prospectus rules published by the FCA pursuant to section 73A of FSMA
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in CREST in uncertificated form at the Record Date
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares in certificated form at the Record Date
"Qualifying Shareholders"	holders of Ordinary Shares on the register of members of the Company at the Record Date with the exclusion of Shareholders with a registered address or who are resident in any Restricted Jurisdiction
"Ramsons"	Ramsons Garment Finishing Equipment Limited
"Record Date"	close of business on 29 September 2022
"Registrar"	Neville Registrars Limited
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting at the end of this document
"Restricted Jurisdiction"	each and any of the US, Canada, Japan, South Africa, Australia and the Republic of Ireland and any other jurisdiction where the extension or the availability of the Open Offer would breach any applicable law
"RIS"	a regulatory information service as defined by the Listing Rules
"SeaLion"	Jiangsu SeaLion Technology Development Co., Ltd
"Securities Act"	the US Securities Act of 1933
"SEDOL"	Stock Exchange Daily Official List
"Shareholders"	holders of Ordinary Shares
"Subscription"	the conditional subscription for 33,200,000 New Ordinary Shares by Entrepreneurs Fund LP., Klaas de Boer, Rachel Nooney, Neil Austin, Paul Denney and Mark Nichols as part of the Placing, as described in paragraph 7 of Part 1 of this document
"Takeover Code"	City Code on Takeovers and Mergers published by the Panel
"UK"	United Kingdom
"US" or "United States"	United States of America
"USE"	an unmatched stock event

"Warrant Instrument"	the instrument dated 20 October 2022 constituting the Warrants
"Warrants"	the unlisted warrants to be issued, conditional on the passing of the Resolutions and completion of the Fundraising, to subscribers of Placing Shares and Open Offer Shares granting to the holders thereof rights to subscribe for new Ordinary Shares exercisable at a price of 5 pence per Ordinary Share during the Warrant Exercise Period in accordance with the terms of the Warrant Instrument
"Warrant Exercise Period"	means the period from the date of Admission up to (and including) 5:00pm on the date falling 18 months thereafter (unless terminated earlier in accordance with the terms of the Warrant Instrument)

All references in this document to "£", "pence", "p" or "pounds sterling" are to the lawful currency of the UK, all references to "US\$" or "\$" are to the lawful currency of the United States

PART I

LETTER FROM THE CHAIRMAN OF XEROS TECHNOLOGY GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with number 08684474)

Directors:

Klaas de Boer
David Armfield
Neil Austin
Paul Denney
David Baynes
Rachel Nooney

Registered Office:

Xeros Technology Group plc
Unit 2, Evolution Advanced Manufacturing Park
Whittle Way
Catcliffe
Rotherham
South Yorkshire
S60 5BL

3 October 2022

Dear Shareholder,

**PROPOSED PLACING AND SUBSCRIPTION OF 120,000,000 NEW ORDINARY SHARES AT
5 PENCE EACH AND
OPEN OFFER OF A MAXIMUM OF 20,386,699 NEW ORDINARY SHARES AT 5 PENCE
EACH, ISSUE OF UP TO 140,386,699 WARRANTS AND CAPITAL REORGANISATION**

1. INTRODUCTION

Further to the announcement of 30 September 2022 in which the Board stated its intention to raise further equity share capital, the Company is pleased to confirm today that it has now conditionally raised £6.0 million before fees and expenses by way of the Placing with existing and new institutional investors at an Issue Price of 5 pence per Placing Share.

At the same time, the Board has today also set out its intention to raise up to a further £1.0 million before fees and expenses (assuming full take up of the Open Offer) by way of the Open Offer to all Qualifying Shareholders to provide them with the opportunity to participate in the Fundraising at the Issue Price. The Open Offer is being conducted on the basis of 6 Open Offer Shares for every 7 Existing Ordinary Shares held on the Record Date. Qualifying Shareholders subscribing for their full Basic Entitlement under the Open Offer may also apply for additional Open Offer Shares through the Excess Application Facility. Neither the Placing nor the Open Offer is being underwritten. As noted in the announcement, subscribers to the Placing, and Open Offer will be issued with Warrants to subscribe for one additional Ordinary Share at the Issue Price for every one New Ordinary Shares issued to those subscribers. If (assuming full take up under the Open Offer) all of the Warrants are exercised in full the Company will receive gross proceeds of a further £7.0 million.

The Issue Price represents a discount of 72.6% to the Closing Price, being the latest practical date prior to the publication of this document. The Placing Shares and Open Offer Shares will represent, respectively, approximately 73.1% and 12.4% of the Company's issued ordinary share capital following Admission (assuming the Open Offer Shares are taken-up in full).

The total amount that the Company could therefore raise under the Placing and Open Offer is £7.0 million (before expenses), assuming that the Open Offer is fully subscribed.

For the Placing and Open Offer to proceed, the Company requires Shareholders' approval to authorise the Directors to undertake the Capital Reorganisation, allot the New Ordinary Shares, issue the Warrants and disapply pre-emption rights in relation to the issue of the New Ordinary Shares. I am writing to provide you with details of the Placing and Open Offer and to give you notice

of the General Meeting to consider and, if thought fit, approve the Resolutions to grant these authorities. The General Meeting is to be held at the offices of Squire Patton Boggs (UK) LLP at Premier Place, 2 & A Half Devonshire Square, London EC2M 4UJ at 10.00 a.m. on 20 October 2022. The formal notice of General Meeting is set out at the end of this document.

2. PROPOSED CAPITAL REORGANISATION OF ORDINARY SHARES

The Company is not permitted by law to issue Ordinary Shares at an issue price which is below their nominal value, currently 15 pence per ordinary share. In order to enable the Company to issue shares at an issue price which exceeds their nominal value, the Company is proposing to complete a Capital Reorganisation of the ordinary share capital of the Company. Each of the Existing Ordinary shares will be subdivided into one new Ordinary Share of 0.1 pence each and one Deferred Share of 14.9 pence each.

The Capital Reorganisation will not of itself affect the value of the shares held by Shareholders. After the Capital Reorganisation, there will be the same number of Ordinary Shares in issue as there are Existing Ordinary Shares in issue and therefore your current shareholding will not be diluted, unless a further equity fundraising is completed by the Company.

The new Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue under the Current Articles, including those relating to voting and entitlement to dividends. New share certificates for new Ordinary Shares will not be issued and the existing share certificates will remain valid.

The Deferred Shares will have no significant rights attached to them and carry no right to vote or participate in distribution of surplus assets and will not be admitted to trading on the AIM market of the London Stock Exchange plc. Therefore, the Deferred Shares will effectively carry no value.

Holders of options or warrants over Existing Ordinary Shares will maintain the same rights as currently accruing to them and will not be issued with new warrant or option certificates.

Resolution 3 in the Notice of General Meeting is proposed to amend the Current Articles to, inter alia, create the new Deferred Shares and to set out the rights pertaining thereto relative to the new Ordinary Shares. Resolution 3 is conditional upon the passing of Resolution 2. A copy of the New Articles will be available for inspection throughout the General Meeting. A summary of the changes proposed to the Current Articles is set out in schedule 1.

3. REASONS FOR THE PLACING AND OPEN OFFER AND USE OF PROCEEDS

3.1. Reasons for the Placing and Open Offer

As we said at the time of the 2021 results, the last financial year was one of mixed fortunes for Xeros with Covid related lockdowns delaying commercial progress, particularly so with our Chinese and Indian partners. Despite this, progress was made with the pace quickening during 2022 as Covid related restrictions have eased, particularly so in India. During 2022 we have been able to substantially advance our domestic laundry offering with our Indian partner, IFB, in addition to its established role as an OEM licence partner for our solution in the commercial laundry setting. Through much of 2022 to date, as travel restrictions have eased we have been able to send teams to India to work alongside colleagues at IFB in the design of domestic machines and cycle programming which has now been finalised. This was no small undertaking and involved significant resource commitment from IFB and Xeros alike and culminated in IFB's commitment to progress to a launch of a Xeros front-loading washing machine in Q4 of 2022. This is a significant development for Xeros, given IFB's prominence as the second largest domestic washing machine company in India by sales volume, with over 500 consumer appliance stores across the country as well as its own online operation. Market launch now awaits the finalisation of consumer trials of the product which are due to start soon in India with machines being used in homes in India on a trial basis. A successful launch in India will be a pivotal moment for Xeros, not just in giving a clear line of sight to a significant future revenue stream but, as importantly, it will be key to unlocking wider adoption

by the industry and, with the evidence provided by IFB, we will continue our engagement with other major manufacturers with a view to increasing the number of licenses for this application. Commercial terms agreed with IFB provide for a machine royalty to Xeros of just over 4 per cent. of the retail value of Xeros machines sold by IFB.

The other significant development during 2022 has been the progress of the commercialisation strategy for XFilter, the Company's proprietary micro-fibre filtration technology. In June 2022 Xeros signed its first global domestic washing machine filtration licensing agreement with Hanning Elektro GmbH & Co.KG ("Hanning"). Hanning is a world leading manufacturer of components for the appliance industry, including pumps and motors for some of the world's largest domestic washing machine manufacturers. Under the terms of the 10-year, non-exclusive agreement, Hanning will manufacture and sell the XFilter technology with products expected to be in market in late 2023 ahead of legislation in France and potentially other European countries, mandating the use of a microplastic filter in all new washing machines from 1st January 2025. Under the terms of the agreement Xeros will receive a royalty per filter device sold by Hanning. The royalty amount is commercially sensitive though is in line with the Board's expectations. On 27 September 2022 Xeros announced a joint development agreement with another significant European headquartered domestic washing machine component manufacturer for XFilter. The agreement sets out a programme of product development for the manufacture of XFilter devices and a process to reach an agreement of multi-year licensing terms. Work under the agreement will commence immediately and the Directors expect to agree license terms in the next six months. In addition, Xeros continues to work with a large Asian domestic washing machine OEM, with whom a trial and testing agreement was signed in 2021, on adoption of XFilter in their machines. Xeros has recently started commercial licensing negotiations with this OEM.

Notable also during 2022 has been the continued progress with denim manufacturers in Bangladesh representing three leading global retail brands. Trials have resulted in the production of denim jeans, with significant reductions in the process' consumption of water, chemicals, energy and pumice (an important ingredient to the denim finishing process), which have been sold to consumers. One of these retail brands has invited Xeros to present a proposal for the adoption of its technology in their manufacturing supply chain and the Company expects these discussions to continue through the remainder of 2022. Whilst denim manufacturers themselves are very focused on sustainability the Directors expect that the denim brands and their consumers will hold the key to widespread adoption of Xeros' finishing technology in a global denim market producing c1.2bn pairs of jeans per annum.

The continued progress noted above in both domestic laundry, filtration and denim finishing has been made in spite of the significant impact of COVID-19 in previous years. The disruption of the COVID-19 pandemic, which remains ongoing in China, has delayed the Company's licensees entering their markets on time, resulting in delays to the timing of initial revenues for Xeros. Whilst the monthly rate of cash burn is well controlled at approximately £0.5m per month, in line with previous statements the Directors believe that, given the significant amount of commercial progress made, now is the time to seek additional investment into the business.

3.2. Use of proceeds

As reported at the time of the FY21 results the Board now anticipates the Company reaching month on month EBITDA and cash breakeven during 2024, later than originally envisaged due to previously highlighted COVID-19 related delays. Whilst the Directors are yet to ascertain exactly when in 2024 this point will be reached, with further clarity expected during the next year, they are clear that the current key commercial arrangements between the Company and Hanning (in relation to XFilter, as referred to in paragraph 3.1 above) and with IFB (in relation to the launch of Xeros enabled domestic washing machines into the Indian market, as referred to in paragraph 3.1 above) are capable of underpinning this shift to month on month cashflow/EBITDA breakeven, with any further commercial arrangements only improving the position. The net proceeds of the Fundraise will therefore be used to fund activities pending achievement of this breakeven point with no current plans to alter the current rate of monthly cash consumption in support of these activities.

4. CURRENT TRADING AND OUTLOOK

The Company published its preliminary full year results for the 12 months ending 30 December 2021 on the 22 June 2022, reporting revenue of £0.5m and an EBITDA loss of £6.3m, a reduction of 7.1 per cent. over 2021. The Company reported the expectation that monthly cash burn would remain £0.5m per month on an ongoing basis. Cash balances at the end of August 2022 stood at £2.6m.

Since the year end the Company has continued to trade in line with Board expectations with further progress made on a number of fronts:

- A number of additional component suppliers have contacted the Company in relation to XFilter since the announcement of the agreement with Hanning on 14 June 2022 and the further independent validation of XFilter by the highly respected Hohenstein testing institute carried out on behalf of a leading Asian domestic washing machine OEM as part of its test and trial agreement signed with Xeros in July 2021. On 27 September 2022 the Company entered into a joint development agreement with another significant European domestic washing machine component supplier as referred to above and expects to enter into further commercial XFilter arrangements as the environmental imperative for effective filtration builds ahead of regulation scheduled at the start of 2025;
- The Company has continued to lobby at central government level with a view to accelerating the drive for legislation and regulation around microfibre filtration;
- The IFB domestic washing machine launch progress remains on-track with Xeros enabled washing machines soon to be used on a trial basis in homes in India and the first order of XOrbs for the IFB domestic launch now placed by the Company with its supplier, BASF;
- A leading global retail brand, with whom Xeros has been conducting denim finishing trials in 2022, has invited the Company to propose a model for widespread adoption of its technology in its manufacturing supply chain.

As consumers and other stakeholders continue to call for the reduction of the environmental impact of clothing on the planet and as demands for reduced water usage, lower energy consumption and less microplastic pollution from the manufacture and cleaning of clothes have increased so the Board has become more sure than ever of a secure future for Xeros.

The Company announced interim unaudited results for the six months ending 30 June 2022 before the end of September 2022. These show revenues of £0.04m (H1 2021: £0.3m) and EBITDA losses of £3.9m (H1 2021: £2.8m) and reconfirm stable monthly cash burn of £0.5m. The statement also confirms the Board's comfort as regards current forward guidance.

5. BOARD AND INCENTIVISATION ARRANGEMENTS

On 1 August 2022 Neil Austin joined the Board as Chief Executive Officer of the Company. The outgoing Chief Executive Officer, Mark Nichols, stepped down from the Board on the 1 August 2022. Mark Nichols remained an employee of the Company until 30 September 2022.

The Board intends to award up to 4,925,134 share options to Neil Austin conditional upon shareholder approval of the Fundraising resolutions at the General Meeting. These options will be issued at the Issue Price. In addition the Board intends to award up to 5,138,100 Ordinary Shares to incentivise key members of staff following shareholder approval of the Fundraising resolutions.

6. DETAILS OF THE PLACING AND OPEN OFFER

6.1. The Placing

The Company has conditionally raised £6.0 million (before fees and expenses) by way of a conditional, non-pre-emptive placing of 120,000,000 new Ordinary Shares at the Issue Price. Subscribers to the Placing and Open Offer will also be issued with Warrants at the 1:1 ratio described above.

The Issue Price represents a discount of approximately 72.6% from the Closing Price. The Placing Shares will represent approximately 73.1% of the Enlarged Share Capital following Admission. In order to broaden the Company's institutional investor base and to minimise the time and transaction costs of the Placing, the Placing Shares are only being placed by finnCap with a limited number of existing and new investors. The Placing Shares are not being made available to the public.

The Placing Shares will be free of all liens, charges and encumbrances and will, when issued and fully paid, be identical to and rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all future distributions, declared, paid or made in respect of the Ordinary Shares following the date of Admission.

As part of the Placing, pursuant to a subscription agreement entered into between the Company and Entrepreneurs Fund (the "**Subscription Agreement**"), Entrepreneurs Fund has committed to participating in the Fundraising and will subscribe under the terms of the Subscription Agreement for 30,000,000 New Ordinary Shares at the Issue Price, taking its holding to 21.79% per cent. of the Enlarged Share Capital. The Subscription Agreement is conditional upon, *inter alia*, the passing of the Resolutions and contains certain warranties given by the Company in favour of Entrepreneurs Fund. Entrepreneurs Fund has also provided an irrevocable undertaking to vote in favour of the Resolutions.

Klaas de Boer, Rachel Nooney, Neil Austin, Paul Denney and Mark Nichols are also participating in the fundraising pursuant to separate subscription agreements on broadly the same terms as those for Entrepreneurs Fund as set out above. Their aggregate participation will amount to 3,200,000 New Ordinary Shares. Further details are set out in paragraph 7 below.

6.2. The Placing Agreement

In connection with the Placing, the Company has entered into the Placing Agreement pursuant to which finnCap has agreed, in accordance with its terms, to use reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing is not underwritten.

In accordance with the terms of the Placing Agreement, the Placing is conditional upon, amongst other things, the passing of the Resolutions, the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission occurring on or before 21 October 2022 (or such later date as finnCap may agree).

The Placing Agreement contains certain warranties given by the Company in favour of finnCap concerning, amongst other things, the accuracy of information given in this circular and the announcement made by the Company in respect of the Placing as well as other matters relating to the Group and its business.

The Placing Agreement is terminable by finnCap in certain circumstances up until the time of Admission, including, *inter alia*, should there be a breach of a warranty contained in the Placing Agreement or a *force majeure* event takes place or a material adverse change occurs to the business of the Company or the Group. The Company has also agreed to indemnify finnCap against all losses, costs, charges and expenses which finnCap may suffer or incur as a result of, occasioned by or attributable to the carrying out of its duties under the Placing Agreement.

The Placing is not conditional on the Open Offer proceeding or on any minimum take-up under the Open Offer.

6.3. The Open Offer

Basic Entitlement

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

6 Open Offer Shares for every 7 Existing Ordinary Shares

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

Excess Applications

The Open Offer is structured so as to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price pro rata to their holdings of Existing Ordinary Shares. Qualifying Shareholders may also make applications in excess of their pro rata initial entitlement. To the extent that pro rata entitlements to Open Offer Shares are not subscribed for by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such Excess Applications where Qualifying Shareholders have taken up their full Basic Entitlement. Applications for Excess Shares may be allocated in such manner as the Directors may determine, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all. Excess Applications will be rejected if and to the extent that acceptance would result in a Qualifying Shareholder, together with those acting in concert with him/her/it for the purposes of the Takeover Code, holding 30% or more, or increasing an existing holding of 30% or more, of the Enlarged Share Capital immediately following Admission.

Overseas Shareholders

The attention of Qualifying Shareholders who have registered addresses outside the UK, or who are citizens or residents of countries other than the UK, or who are holding Existing Ordinary Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents), or who have a contractual or other legal obligation to forward this document or the Application Form to such persons, is drawn to the information which appears in paragraph 8 of Part III of this document.

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

Each Qualifying Shareholder who subscribes for Open Offer Shares will also be granted one Warrant for every one Open Offer Shares subscribed for. Qualifying Shareholders do not need to take any further action in respect of such Warrants. Following the expiration of the Open Offer period, and taking into account any adjustments in respect of Excess Applications and/or scale back, the holders of Open Offer Shares will receive a certificate in respect of any Warrants granted to them.

6.4. The Warrants

As referred to above, the Company has also agreed to issue Warrants to investors in the Placing, Subscription and Open Offer on the basis of one Warrant for every one New Ordinary Share subscribed for. Accordingly, there will be up to 140,386,699 Warrants in issue following Admission,

with each Warrant granting the holder the right to subscribe for one new Ordinary Share. The Warrants are exercisable at a price of 5 pence per Ordinary Share during the Warrant Exercise Period. If (assuming full take up under the Open Offer) all of the Warrants are exercised in full the Company will receive gross proceeds of a further £1.0 million.

The issue and validity of the Warrants is conditional, amongst other things, on the passing of the Resolutions and Admission on or before 8.00 a.m. on 21 October 2022 (or such later date as finnCap and the Company may agree being not later than 5.00 p.m. a.m. on 11 November 2022).

The other key terms and conditions of the Warrants are set out in the table below:

Subscription Rights	Each Warrant issued will confer on the holder the right to subscribe for one new Ordinary Share at a price of 5 pence per Ordinary Share by notice to the Company during the Warrant Exercise Period.
Warrant Exercise Period	The exercise period for a Warrant is the period from the date of Admission up to (and including) 5.00 p.m. on the date falling 18 months thereafter (unless terminated earlier in accordance with the terms of the Warrants).
Exercise of Warrants	The Warrants may be exercised in whole or in part during the Warrant Exercise Period, provided that any partial exercise of Warrants by a holder shall be for a minimum aggregate exercise price of £10,000 or, if less, the balance of the relevant holder's Warrants then outstanding.
Adjustment to Subscription Rights	<p>The subscription rights conferred by the Warrants and/or the exercise price of the Warrants shall be adjusted by the Board in its sole discretion on the occurrence of certain events in relation to the Company, including</p> <ul style="list-style-type: none">a) a subdivision, consolidation or reclassification of the Ordinary Shares;b) a reduction of capital or any other reduction in the number of Ordinary Shares in issue from time to time;c) an issue of Ordinary Shares by way of dividend or distribution or by way of capitalisation of profits or reserves; ord) a consolidation, amalgamation or merger of the Company with or into another entity in certain circumstances, <p>with the intention, in broad terms, that any such adjustment will leave the holder(s) of the Warrant(s) in a similar position to the position they were in immediately before the event giving rise to the adjustment.</p>
Transfer	The Warrants are non-transferable by the holders without the prior consent of the Company.
Security	The Warrants are not secured.

Modifications

The Company may amend the provisions of the instrument constituting the Warrants without the consent of the holders of the Warrants where such amendment is of a minor nature or to correct a manifest error. Otherwise no amendment or abrogation to the terms of the instrument are permitted without the consent of holders of at least 75 per cent. of the Warrants in issue at the time.

Information Rights

The Warrants entitle holders to receive the Company's annual report and accounts and all accompanying documents, together with every other document sent to the holders of the Ordinary Shares, in each case at the same time as it is sent to the holders of Ordinary Shares.

Administration

The Warrants are in certificated form and the Registrar has established and will maintain a register of the holders of Warrants. There are also provisions in the Warrant Instrument for convening meetings of the holders of Warrants.

A copy of the Warrant Instrument is available on the Company's website at <https://www.xerostech.com>.

Settlements and dealings

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Basic Entitlements and Excess Entitlements will be admitted to CREST and be enabled for settlement, they will not be tradable and applications in respect of the Basic Entitlements and Excess 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 Basic Entitlements will have no rights under the Open Offer or receive any proceeds from it. If valid acceptances are not received in respect of all Basic Entitlements under the Open Offer, unallocated Open Offer Shares may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and the proceeds retained for the benefit of the Company. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders.

Application has been made for the Basic Entitlements and Excess Entitlements of Qualifying CREST Shareholders to be admitted to CREST. It is expected that such Basic Entitlements and Excess Entitlements will be admitted to CREST on 4 October 2022.

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 III of this document and for Qualifying Non-CREST Shareholders on the accompanying Application Form. To be valid, Application Forms or CREST instructions (duly completed) and payment in full for the Open Offer Shares applied for must be received by the Registrar by no later than 11.00 a.m. on 19 October 2022. Application Forms should be returned to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by no later than 11.00 a.m. on 19 October 2022.

Further information on the Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in Part III of this document and, where relevant, on the Application Form.

It is expected that Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlements and Excess Entitlements on 21 October 2022.

If the conditions of the Placing Agreement are not fulfilled or (where capable of waiver) waived on or before 8.00 a.m. on 21 October 2022 (or such later time and date as finnCap may agree), the Open Offer will not become unconditional and application monies will be returned to applicants, without interest, as soon as practicable thereafter. In addition, the issue of new Ordinary Shares following the exercise of Warrants will have a dilutive effect on the interests of other Shareholders. If all Warrants issued pursuant to the Fundraising are exercised in full this will further dilute Shareholders' proportionate ownership and voting interest in the Company by approximately 46.1% per cent.

6.5. Admission of the New Ordinary Shares

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Subject, *inter alia*, to the passing of the Resolutions at the General Meeting it is expected that Admission will become effective in respect of, and that dealings on AIM will commence in, all of the New Ordinary Shares, on or around 21 October 2022.

It is expected that CREST accounts of the investors in the New Ordinary Shares who hold their Ordinary Shares in CREST will be credited with their New Ordinary Shares on 21 October 2022. In the case of investors in the New Ordinary Shares holding their Ordinary Shares in certificated form, it is expected that certificates will be dispatched by 9 November 2022. Pending dispatch of the share certificates or the crediting of CREST accounts, the Registrar will certify any instruments of transfer against the register.

7. RELATED PARTY TRANSACTION

Entrepreneurs Fund L.P., Lombard Odier Investment Managers, Klaas de Boer, Rachel Nooney, Neil Austin, Paul Denney and Mark Nichols, each a Related Party (as defined by the AIM Rules), will be participating in the Placing as follows:

	<i>Current Holding of Existing Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Placing Shares</i>	<i>Holding post Admission</i>	<i>% of Enlarge d Share Capital</i>
Entrepreneurs Fund L.P.	5,767,535	24.3%	30,000,000	35,767,534	21.79%
Lombard Odier Investment Managers	2,905,027	12.21%	10,000,000	12,905,027	7.86%
Klaas de Boer	250,000	1.05%	2,400,000	2,650,000	1.61%
Rachel Nooney	nil	nil	200,000	200,000	0.12%
Neil Austin	nil	nil	200,000	200,000	0.12%
Paul Denney	75,000	0.32%	200,000	275,000	0.17%
Mark Nichols	87,482	0.37%	200,000	287,482	0.18%

The entering into of the Subscription Agreement and the participation of Entrepreneurs Fund in the Placing constitutes a related party transaction by virtue of Entrepreneurs Fund (and its affiliates) being classified as significant shareholders in the Company. The Directors consider, having consulted with finnCap (the Company's nominated adviser) that the terms of the Subscription Agreement and the participation in the Placing by Entrepreneurs Fund are fair and reasonable insofar as the Company's Shareholders are concerned.

The participation of Klaas de Boer, Rachel Nooney, Neil Austin, Paul Denney and Mark Nichols constitute related party transactions by virtue of them each being Directors (or a director within the last 12 months in the case of Mark Nichols). The Directors (excluding the aforementioned Directors participating in the Placing) consider, having consulted with finnCap (the Company's nominated adviser), that the terms of their participation in the Fundraising are fair and reasonable insofar as the Company's Shareholders are concerned.

The participation in the Placing of Lombard Odier Investment Managers constitutes a related party transaction by virtue of there being a significant shareholder in the Company. The Directors consider, having consulted with finnCap (the Company's nominated adviser), that the terms of their participation in the Fundraising are fair and reasonable insofar as the Company's shareholders are concerned.

8. GENERAL MEETING

A notice convening a General Meeting, to be held at the offices of Squire Patton Boggs (UK) LLP at Premier Place, 2 & A Half Devonshire Square, London EC2M 4UJ at 10.00 a.m. on 20 October 2022, is set out at the end of this document.

At this meeting, as set out in the Notice of General Meeting:

- Resolution 1 is an ordinary resolution to authorise the Directors under section 551 of the Companies Act 2006 to allot the New Ordinary Shares and issue the Warrants;
- Resolution 2 is a special resolution to authorise the 23,784,483 Ordinary Shares of 15 pence each in the issued share capital of the Company being sub-divided into 23,784,483 Ordinary Shares of 0.1 pence each in the capital of the Company and 23,784,483 Deferred Shares of 14.9 pence each in the capital of the Company;
- Resolution 3 is a special resolution to adopt the New Articles; and
- Resolution 4 is a special resolution to authorise the Directors under section 570 of the Companies Act 2006, to allot the New Ordinary Shares and issue the Warrants pursuant to the Placing and Open Offer on a non-pre-emptive basis.

The Directors do not, at present, intend to issue any share capital other than in connection with the Placing and Open Offer and, for the purposes of the share option schemes, the issue of Ordinary Shares to holders of options.

The Resolutions, if passed, will allow the Placing Shares to be issued at a price of 5 pence each (representing a 72.6 per cent discount to the closing middle market price for an Ordinary Share of 15 pence for the latest practical day prior to the date of this document) without them first being offered to Shareholders generally in accordance with their statutory pre-emption rights. The Directors have concluded that proceeding with the Placing, alongside the Open Offer, is the most suitable option available to the Company for raising additional funds through the issue of Ordinary Shares and that issuing the Placing Shares at such a discount under the Placing is fair and reasonable so far as all existing Shareholders are concerned. The Issue Price has been set by the Directors following their assessment of market conditions and following discussions with a number of institutional investors.

9. ACTIONS TO BE TAKEN

9.1. In respect of the General Meeting

Shareholders will find enclosed a Form of Proxy for use at the General Meeting. Whether you are going to attend the meeting or not, please complete the Form of Proxy, following the instructions, and return it to the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD as soon as possible, to arrive by 10.00 a.m. on 18 October 2022 or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting at the latest. Returning the form will not stop you from attending the meeting and voting if you wish to do so. Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in your absence.

If the Resolutions are not approved at the General Meeting, the Placing and Open Offer will not occur and the Net Proceeds will not be received by the Company.

9.2. In respect of the Open Offer

If you do not wish, or are not entitled, to apply for any Open Offer Shares under the Open Offer, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return the Form of Proxy.

Qualifying Non-CREST Shareholders wishing to apply for Open Offer Shares or Excess Shares must complete the enclosed Application Form in accordance with the instructions set out in paragraph 4 of Part III of this document and on the accompanying Application Form and return it to the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD, so as to arrive no later than 11.00 a.m. on 19 October 2022.

If you are a Qualifying CREST Shareholder, no Application Form will be sent to you. Qualifying CREST Shareholders will have their Basic Entitlements and Excess Entitlements credited to their stock accounts in CREST. You should refer to the procedure for application set out in paragraph 5 of Part III of this document. The relevant CREST instructions must have settled in accordance with the instructions in paragraph 5 of Part III of this document by no later than 11.00 a.m. on 19 October 2022.

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.

10. IMPORTANCE OF THE VOTE

Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Placing and Open Offer will not occur and the Net Proceeds will not be received by the Company. If this were to happen, the Group would only have sufficient working capital to continue to trade until the end of Q1 2023 without taking any mitigating action which would have the effect of significantly curtailing the scope of the Company's activities and prospects alike.

11. RECOMMENDATION

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of the 462,482 Existing Ordinary Shares held, directly or indirectly, by them representing approximately 1.94 per cent. of the total voting rights of the Company.

Yours sincerely,

Klaas de Boer
Chairman
Xeros Technology Group plc

PART II 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, who specialises in advising on the acquisition of shares and other securities, before making any investment decision. A prospective investor and Shareholders should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her.

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

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

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

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

1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF THE GROUP

1.1 Future need for access to capital

There is a risk that the amount that the Group anticipates will be needed to fund its business plan until the point at which the Board expects each of the Group's applications to reach EBITDA breakeven will be insufficient or that the Group may be unable to raise the amounts required to fund the Group until then (if at all). Costs may be greater than planned, or timings may vary from those targeted, which could have a material adverse effect on the implementation of the Group's strategy and its business, operating results and financial condition.

1.2 Dependence on third parties

The majority of products incorporating the Group's technology are in the early to mid-stages of being produced on a fully commercial scale. As a result, the Group is dependent on a limited number of commercial partners to demonstrate the ability to scale up such production. Failure to operate production at an increased capacity may have a material adverse effect on the growth of the Group's business and its financial position.

The Group is dependent on a limited number of key suppliers in relation to the production of its polymers. Should any such key supplier cease to deal with the Group for any reason and/or materially and adversely change the terms upon which it deals with the Group, difficulties may be

experienced by the Group in sourcing alternative suppliers on acceptable terms. Any such disruption to the Group's supply arrangements may have a material adverse effect on the growth of the Group's business and its financial position.

1.3 Management of growth

The ability of the Group to implement its strategy requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management and operational, financial and personnel resource. Therefore, the Group's future growth and prospects will depend on its ability to manage this growth.

1.4 Dependence on key executives and personnel and the ability to attract and retain appropriately qualified personnel

The Group's future success is substantially dependent on the continued services and performance of its executive Directors and senior management and its ability to attract and retain suitably skilled and experienced personnel. The Group's future success is also substantially dependent on the knowledge held within the polymer science and engineering teams. The Company cannot give assurances that members of the senior management team, the executive Directors and the polymer science and engineering teams will continue to remain within the Group. Finding and hiring any such replacements could be costly and might require the Company to grant significant equity awards or other incentive compensation, which could adversely impact its financial results.

1.5 Health, safety and environmental risks

The installation and operation of products incorporating the Group's technology will be subject to various health and safety and environmental requirements in the markets for such products. Such requirements govern, among other matters, air emissions, wastewater discharges and solid and hazardous waste management. Many such laws and regulations are becoming increasingly stringent (and may impose strict liability) and the cost of compliance with these requirements can be expected to increase over time. Although the Directors believe that the products incorporating the Group's technology comply with applicable regulations, any failure to comply with such laws and regulations could result in the Group incurring costs and/or liabilities, including as a result of regulatory enforcement, personal injury, property damage and claims and litigation resulting from such events, which could adversely affect the Group's operating results and financial condition.

1.6 Insurance

There can be no certainty that the Group's insurance cover is adequate to protect against every eventuality. The occurrence of an event for which the Group did not have adequate insurance cover could have a material adverse effect on the business, operating results and financial condition.

1.7 Product liability

If products incorporating the Group's technology do not perform as required, there is a risk of litigation and reputational damage, as well as product liability and indemnity risks.

1.8 Disaster recovery

The Group depends on the performance, reliability and availability of its plant, equipment and information technology systems. Any damage to, or failure of, its equipment and/or systems could result in disruptions to the Group's operations. The Group's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Group's business, financial position or prospects.

1.9 Counterparty risk

There is a risk that parties with whom the Group trades or has other business relationships (including partners, customers, suppliers and other parties) may become insolvent. This may be as a result of general economic conditions or factors specific to that company. In the event that a party with whom the Group trades becomes insolvent, this could have an adverse impact on the revenues and profitability of the Group.

1.10 Corruption

Corruption is perceived as a problem in certain of the jurisdictions in which the Group or its commercial partners operate. Corrupt practices may have an adverse impact on the Group's operations in these jurisdictions. Corruption may also affect the ability of the Group to enforce legal rights. The Company is also subject to the Bribery Act 2010 and in complying with its obligations thereunder, it may be put at a commercial disadvantage as compared to non-UK competitors operating in the same overseas markets.

1.11 Currency and foreign exchange

A portion of the Group's business is and will continue to be carried out in currencies other than pounds sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Group's accounts, which could have a material impact on the Group's financial position or result of operations, as shown in the Group's accounts going forward.

The Group may engage in foreign currency hedging transactions to mitigate potential foreign currency exposure. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Group.

1.12 COVID-19 pandemic

The ongoing nature and uncertainty of the COVID-19 pandemic in many countries and the various measures and restrictions in place (or which may be put in place) continue to have the ability to impact the Company's business continuity, workforce, supply-chain, business development and, consequently, future revenues.

2 RISKS RELATING TO THE COMMERCIALISATION OF THE GROUP'S TECHNOLOGY

2.1 Acceptance of the Group's products

The success of the Group will depend on market acceptance of the benefits of, and attribution of value to, incorporating the Group's technology into various applications and the rate of adoption of the same by large enterprises. There can be no guarantee that this acceptance will be forthcoming, that an acceptable value will be placed upon such technology or that the adoption rate of the Group's technologies will be sustainable.

2.2 Commercialisation risk

The Group has, and will continue to enter into, arrangements with third parties in respect of the development, production and commercialisation of products based on its technology. The Group's negotiating position in agreeing terms of either joint development, distribution, service or supply arrangements may be affected by its size of cash resources relative to potential development partners with substantial cash resources and established levels of commercial success. An inability to enter into or renew such arrangements on favourable terms, if at all, or disagreements between the Group and any of its potential partners could lead to delays in the Group's commercialisation strategy and this may have a significant adverse effect on the Group's business, financial condition and results.

The loss of, or changes affecting, the Group's relationships with commercialisation partners could adversely affect the Group's results or operations and the Group may have limited input on the product strategies adopted by any of its partners. Furthermore, there is a risk that such partners may reprioritise within their product portfolio resulting in the Group achieving sales below that which the Directors anticipate. In any such arrangement, the Group will be dependent on such partners for its revenue and the sales strategies and product positioning of the Group's partners may have a material and adverse effect on the Group's business, financial condition and results of operations.

The Group is currently dependent on a relatively small number of commercial partners. If any of these companies were to cease to work with the Group, it could potentially have a material adverse impact on the trading, financial condition and prospects of the Group.

3 RISKS RELATING TO THE GROUP'S TECHNOLOGY

3.1 Intellectual property

The Group's success depends in part on its ability to maintain adequate protection of its intellectual property, covering its processes and applications. The intellectual property on which the Group's business is based is a combination of patent applications and proprietary know-how. No assurance can be given that any pending patent applications or any future patent applications will result in granted patents, that any patents will be granted on a timely basis, that the scope of any patent protection will exclude competitors or provide competitive advantages to the Group, that any of the Group's patents will be held valid if challenged, or that third parties will not claim rights in, or ownership of, the patents and other proprietary rights held by the Group.

There can be no assurance that others have not developed or will not develop similar products, duplicate any of the Group's products or design around any patent applications held by the Group. Others may hold or receive patents which contain claims having a scope that covers products developed by the Group (whether or not patents are issued to the Group). In addition, no assurance can be given that others will not independently develop or otherwise acquire substantially equivalent techniques or otherwise gain access to the Company's unpatented proprietary technology or disclose such technology or that the Company can ultimately protect meaningful rights to such unpatented technology.

Once granted, a patent can be challenged both in the relevant patent office and in the courts by third parties. Third parties can bring material and arguments which the patent office granting the patent may not have seen. Therefore, issued patents may be found by a court of law or by the patent office to be invalid or unenforceable or in need of further restriction.

A substantial cost may be incurred if the Group is required to assert its intellectual property rights, including any patents, against third parties. Patent litigation is costly and time consuming and there can be no assurance that the Group will have, or will be able to devote, sufficient resources to pursue such litigation. Potentially unfavourable outcomes in such proceedings could limit the Group's intellectual property rights and activities. There is no assurance that obligations to maintain the Group's or partners' know-how would not be breached or otherwise become known in a manner which provides the Group with no recourse.

There is a risk that certain objections which have been raised, or may be raised in the future, by patent offices in relation to the patent applications which have been filed by the Group, may prevent those patent applications from being granted. If the patent applications are not granted, the consequence is that the techniques and processes described in the patent applications would not be protected and would be in the public domain.

The Group operates its business under the Xeros brand and several product specific sub-brands in respect of which it has acquired a number of related trademarks in various jurisdictions. It is possible that third parties may seek to oppose the Group trademarks in certain jurisdictions and/or infringe the Group's intellectual property rights in these brands. The Group may in the future seek to enter new markets where it will not be able to protect its trademarks or they may be subject to challenge or dispute which may lead to delays or restrictions on the Group's commercialisation strategy and this may have a significant effect on the Group's business, financial condition and results.

Any claims made against the Group's intellectual property rights, even without merit, could be time consuming and expensive to defend and could have a materially detrimental effect on the Group's resources. A third party asserting infringement claims against the Group and its customers could require the Group to cease the infringing activity and/or require the Group to enter into licensing and royalty arrangements. The third party could also take legal action which could be costly to defend. In addition, the Group may be required to develop alternative non-infringing solutions that may require significant time and substantial unanticipated resources. There can be no assurance that such claims would not have a material adverse effect on the Group's business, financial condition or results.

3.2 Third party intellectual property

Although the Board believes that the Group's current products, products in development and processes do not infringe the intellectual property rights of any third parties, it is impossible to be

aware of all third party intellectual property. No assurance can be given that third parties will not in the future claim rights in or ownership of the patents and other proprietary rights from time to time held by the Group. As further detailed above, substantial costs (both financially and in management time) may be incurred if the Group is required to defend its intellectual property.

3.3 Research and development risk

The Company is involved in new product and applications development. Although the Group has now developed a number of commercial and marketable products and applications, some of the Group's technology and intellectual property portfolio is at an early stage of commercial development and there is no guarantee that the Group will continue to be successful in commercialising its products and applications development. The Group may not be able to develop and exploit its technology sufficiently to enable it to develop additional commercial and marketable products. Furthermore, the Group may not be able to develop new applications or identify additional market needs that can be addressed by the Group's technology.

3.4 Risk of competing technology

There is a risk that technological advances in competing technology and/or the lower cost of such technology may impede the commercial exploitation of the Group's technology. This would have a significant adverse effect on the Group's business.

3.5 Risks associated with the commercialisation of products and services

The Group needs to continue to invest resources in products and services development in order to develop and enhance the Group's existing products and services and introduce new high quality products and services. If the Group is unable to ensure that its customers have a high quality experience with the Group's products and services, then they may become dissatisfied and move to competitors' products and services. In addition, if the Group is unable to predict customer preferences or industry changes, or if the Group is unable to modify its products and services on a timely basis, the Group may lose customers.

The Group's future success will depend on its ability to adapt to changing market needs and circumstances, to adapt its products and services to evolving industry standards and to improve the performance and reliability of the Group's services. Failure to adapt to such changes would harm the Group's business.

In addition, the adoption by customers of multiple uses for its polymer spheres is likely to require continued expenditure by the Group. Moreover, the Directors believe that its continued success depends on continued investment in its business strategies. Because these endeavours may be inherently risky, no assurance can be given that such endeavours will be successful and in the event they are not, adversely affect the Group's business, operating results or financial condition.

4 GENERAL RISKS

4.1 Investment risks

An investment in the Ordinary Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio.

Prospective investors should be aware that the value of an investment in the Company may go down as well as up and investors may therefore not recover their original investment.

In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. These factors could include the performance of the Company's business, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes, general economic and political

conditions and interest and inflation rate variations. The value of the Ordinary Shares may therefore fluctuate and not reflect their underlying asset value.

4.2 Economic conditions, current economic weakness and geopolitical risks

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on the demand for the Group's products. A more prolonged economic downturn may lead to an overall decline in the volume of the Group's sales, restricting the Group's ability to generate a profit.

In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured, global geo-politics (including but not limited to the situation in Ukraine) and the current volatility in global markets. If economic conditions remain uncertain this might have an adverse impact on the Group's operations and business results.

As a UK domiciled business, the Group is exposed to the risks associated with the UK's withdrawal from the EU ("**Brexit**"). The full macro- and micro- economic effects of Brexit, and their impact on the Group, are not yet fully known.

The Group operates or is seeking to develop its operations in several geographic regions and countries, some of which are categorised as developing or have unstable political or social climates and, as a result, is exposed to a wide range of political, economic, regulatory, social and tax environments. These environments are subject to changes in a manner that may have a material adverse for the Group, including changes to government policies and regulations governing import and export controls, tariffs, subsidies, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), repatriation of income, royalties, the environment, labour and health and safety. The geopolitical risks associated with operating in a variety of regions and countries, if realised, could affect the Group's operations and could have a material adverse effect on the Group's business, financial condition or results.

4.3 Force majeure

The Group's operations now or in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions (whether due to COVID 19 or otherwise).

4.4 Legal risks

Legal risks include the inability to enforce security arrangements, an absence of adequate protection for intellectual property rights, an inability to enforce foreign judgments relating to contracts entered into by the Group that are governed by laws outside England and Wales, absence of a choice of law, and an inability to refer disputes to arbitration or to have a choice with regard to arbitration rules, venue and language. Mitigation measures for these risks may be limited.

4.5 Securities traded on AIM

AIM securities are not admitted to the Official List. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached rather than for larger or more established companies. 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 advisor authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

4.6 Potentially volatile share price and liquidity

The share prices of companies quoted on AIM can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are quoted and the price at which investors may realise their investment in the Company may be influenced by a significant number of factors, some specific to the Company and its operations and some which affect quoted companies generally.

These factors could include the performance of the Company, large purchases or sales of Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

4.7 Dilution of Shareholders' interests as a result of additional equity fundraising

The Group may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations or acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pre-emptive basis to existing shareholders, the percentage ownership of the existing shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares.

4.8 Dividends

There is no current intention to pay dividends in the short to medium term. There can be no assurance as to the level of future dividends, if any. The declaration, payment and amount of any future dividends of the Company is subject to the discretion of the Directors, and will depend upon, among other things, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles.

4.9 The use of Net Proceeds of the Placing is subject to change

The use of Net Proceeds set out in Part I of this document is based on management's current expectations. There are no restrictions on the Company's use of the Net Proceeds. Investors will not have the opportunity to evaluate the economic, financial or other information on which the Company bases its decisions on how to use the Net Proceeds. Any failure of the Company's management to apply these funds effectively could harm investor confidence and cause the price of the Ordinary Shares to decline.

5 RISKS RELATING TO THE OPEN OFFER

5.1 Shareholders will experience dilution in their ownership of the Company

Shareholders will experience dilution in their ownership of, and voting interest in, the Company as a result of the Placing. Shareholders will experience greater dilution in their ownership of, and voting interest in, the Company to the extent they do not subscribe in full for their Basic Entitlement under the Open Offer.

5.2 Overseas Shareholders may not be eligible to participate in the Open Offer

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Overseas Shareholders in the Open Offer. In particular, holders of Ordinary Shares who are located in the US may not be able to exercise their pre-emption rights unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. The Open Offer will not be registered under the Securities Act.

Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company.

PART III

TERMS AND CONDITIONS OF THE OPEN OFFER

1. INTRODUCTION

As explained in the letter from the Chairman, the Company is proposing to raise up to £1.0 million by the issue of up to 20,386,699 New Ordinary Shares at the Issue Price through the Placing and Open Offer.

120,000,000 New Ordinary Shares are proposed to be issued pursuant to the Placing and up to 20,386,699 New Ordinary Shares are also proposed to be issued pursuant to the Open Offer.

Further details of the Open Offer are set out in this Part III of this document.

The Open Offer is an opportunity for Qualifying Shareholders to apply for in aggregate 20,386,699 Open Offer Shares pro rata to their current holdings at the Issue Price.

The Placing and Open Offer are conditional on, amongst other things, the passing of the Resolutions at the General Meeting, the Placing Agreement becoming unconditional and Admission.

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and will together represent approximately 85.5% of the Enlarged Share Capital.

The New Ordinary Shares will be created under the Companies Act 2006.

2. TERMS AND CONDITIONS OF THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, the Application Form), each Qualifying Shareholder is being given an opportunity to apply for Open Offer Shares at the Issue Price (payable in full and free of all expenses) on the following pro rata basis:

6 Open Offer Shares at 5 pence for every 7 Existing Ordinary Shares

held and registered in their name at the Record Date and in proportion to any other number of Existing Ordinary Shares then held. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' entitlements. Accordingly, Qualifying Shareholders with fewer than 48 Existing Ordinary Shares will not be entitled to take up any Open Offer Shares. Applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlement. The total number of Open Offer Shares is fixed and will not be increased.

Qualifying Shareholders may apply to acquire any number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to below. The Basic 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 Shares comprised in the Basic Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Ordinary Shares in excess of their Basic Entitlement (i.e., their Excess Entitlement), subject to a maximum equal to the total number of Open Offer Shares available under the Open Offer less the relevant Qualifying Shareholder's Basic Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 7 and 8 on the Application Form. Applications for Excess Shares may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

The Issue Price represents a discount of 72.6% to the Closing Price for an Ordinary Share of 15 pence on 29 September 2022 (being the latest practicable date prior to the date of this document).

Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of the Open Offer.

Qualifying Shareholders should note that the Open Offer is not a rights issue and therefore New Ordinary Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer, and Qualifying Shareholders who do not apply to take up their entitlements will have no rights nor receive any benefit under the Open Offer. The Application Form is not a document of title and cannot be traded or otherwise transferred. Any Open Offer Shares which are not applied for under the Open Offer will not be issued.

The attention of Qualifying Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligation to forward this document or an Application Form into a jurisdiction other than the UK is drawn to paragraph 8 of this Part III of this document. In particular, Shareholders in a Restricted Jurisdiction will not be sent this document or the Application Form, and will not have their CREST stock accounts credited with the Basic Entitlements or the Excess Entitlements.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of their issue.

Application will be made for the Basic Entitlement and the Excess Entitlement to be credited to Qualifying CREST Shareholders' CREST accounts. The Basic Entitlement and the Excess Entitlement are expected to be credited to CREST accounts by 21 October 2022. Application has been made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on AIM at 8.00 a.m. on 21 October 2022.

Neither the Placing nor the Open Offer are underwritten.

The Placing and Open Offer are conditional, amongst other things, upon:

- (a) the passing of the Resolutions at the General Meeting;
- (b) the Capital Reorganisation becoming effective;
- (c) the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission; and
- (d) Admission becoming effective by no later than 8.00 a.m. on 21 October 2022 (or such later time and/or date as finnCap may agree).

If any of the conditions are not satisfied or waived (where capable of waiver), the Placing and Open Offer will be revoked and will not proceed. In such circumstances, application monies will be returned without payment of interest, as soon as practicable thereafter. No temporary documents of title will be issued in respect of the Open Offer Shares held in uncertificated form.

Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to the Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form within 10 business days of Admission.

The Existing Ordinary Shares are already CREST-enabled. No further application for admission to CREST is required for the New Ordinary Shares and all of the New Ordinary Shares when issued

and fully paid may be held and transferred by means of CREST. Applications will be made for the Basic Entitlement and the Excess Entitlement to be admitted to CREST as participating securities.

Subject to the conditions above being satisfied and save as provided in this Part III of this document, it is expected that:

- (i) the Registrars will instruct Euroclear to credit the appropriate stock accounts of Qualifying CREST Shareholders (other than Shareholders in Restricted Jurisdictions) with such Shareholders' Basic Entitlement and Excess Entitlement with effect on 4 October 2022;
- (ii) New Ordinary Shares in uncertificated form will be credited on 21 October 2022 to the appropriate stock accounts of relevant Qualifying CREST Shareholders who validly take up all or part of their Basic Entitlement and Excess Entitlement; and
- (iii) share certificates for the New Ordinary Shares held in certificated form will be despatched by 9 November 2022 to relevant Qualifying Non-CREST Shareholders who validly take up all or part of their Basic Entitlement and Excess Entitlement.

Qualifying Shareholders taking up their Basic Entitlement and Excess Entitlement will be deemed to have given the representations and warranties set out in the subparagraphs with the heading "Effect of Application" in paragraph 4 of this Part III of this document (in the case of Qualifying Non-CREST Shareholders), and paragraph 5 of this Part III of this document (in the case of Qualifying CREST Shareholders) unless, in each case, such requirement is waived by the Company. All Qualifying Shareholders taking up their rights under the Open Offer will be deemed to have given the representations and warranties set out in paragraph 8 of this Part III of this document.

All documents and cheques posted to or by Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk.

The attention of Overseas Shareholders is drawn to paragraph 8 of this Part III of this document which forms part of the terms and conditions of the Open Offer.

References to dates and times in this document should be read as subject to adjustment. The Company will make an appropriate announcement to an RIS giving details of any revised dates or times.

Each Qualifying Shareholder who subscribes for Open Offer Shares will also be granted one Warrant for every one Open Offer Shares subscribed for. Qualifying Shareholders do not need to take any further action in respect of such Warrants. Following the expiration of the Open Offer period, and taking into account any adjustments in respect of Excess Applications and/or scale back, the holders of Open Offer Shares will receive a certificate in respect of any Warrants granted to them.

3. ACTION TO BE TAKEN IN CONNECTION WITH THE OPEN OFFER

The action to be taken in respect of the Open Offer depends on whether, at the relevant time, a Qualifying Shareholder has received an Application Form in respect of his entitlement under the Open Offer or has had his Basic Entitlement and Excess Entitlement credited to his CREST stock account in respect of such entitlement.

If you are a Qualifying Non-CREST Shareholder and you are not a Shareholder in a Restricted Jurisdiction, please refer to paragraph 4 and paragraphs 7 and 9 to 12 (inclusive) of this Part III of this document.

If you are a Qualifying CREST Shareholder and you are not a Shareholder in a Restricted Jurisdiction, please refer to paragraph 5 and paragraphs 7 and 9 to 12 (inclusive) of this Part III of this document.

Qualifying Non-CREST Shareholders who wish to deposit their Basic Entitlement and/or Excess Entitlement into CREST, or Qualifying CREST Shareholders who wish to withdraw their Basic Entitlement and/or Excess Entitlement from CREST, should read paragraph 6 of this Part III of this document.

Qualifying CREST Shareholders who are CREST Sponsored Members should refer to their CREST Sponsors, as only their CREST Sponsors will be able to take the necessary actions specified below to apply under the Open Offer in respect of the Basic Entitlement and Excess Entitlement of such members held in CREST.

CREST Members who wish to apply under the Open Offer in respect of their Basic Entitlement and Excess Entitlement held in CREST should refer to the CREST Manual for further information on the CREST procedures referred to above.

4. ACTION TO BE TAKEN BY QUALIFYING NON-CREST SHAREHOLDERS

General

Qualifying Non-CREST Shareholders will have received an Application Form with this document. The Application Form sent to each such Qualifying Non-CREST Shareholder sets out:

- (a) in Box 3, the number of Existing Ordinary Shares registered in such person's name at the Record Date (on which a Qualifying Non-CREST Shareholder's entitlement to New Ordinary Shares is based);
- (b) in Box 4, the maximum number of Open Offer Shares for which such person is entitled to apply under the Open Offer, taking into account that they will not be entitled to take up any fraction of a New Ordinary Share arising when their Basic Entitlement was calculated; and
- (c) in Box 5, the amount payable in respect of an application for such person's Basic Entitlement.

Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Application Form by virtue of a *bona fide* market claim.

Under the Excess Application Facility, provided that they have agreed to take up their Basic Entitlement in full, Qualifying Non-CREST Shareholders may apply for more than their Basic Entitlement should they wish to do so. Qualifying Non-CREST Shareholders wishing to apply for their Excess Shares may do so by completing Boxes 7 and 8 of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any Excess Applications. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full. Applications made under the Excess Application Facility shall be allocated in such manner as the Directors may determine, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

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

The latest time and date for receipt of the Application Forms and payment in full will be 11.00 a.m. on 19 October 2022.

The New Ordinary Shares are expected to be issued on 20 October 2022 and admitted on 21 October 2022. After 21 October 2022 the New Ordinary Shares will be freely transferable by written instrument of transfer, and will be either in registered (or uncertificated) form, or, if they have been issued in or converted into uncertificated form, in electronic form under the CREST system.

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.

Qualifying Shareholders are, however, encouraged to vote at the General Meeting by attending in person or by completing and returning the Form of Proxy.

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 Ordinary Shares through the market prior to 8.00 a.m. on 3 October 2022 (being the date upon which the Ordinary Shares were marked 'ex' entitlement to participate in the Open Offer). Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims made prior to 3.00 p.m. on 17 October 2022.

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 Ordinary Shares prior to the date upon which the Ordinary Shares were marked 'ex' entitlement to participate in the Open Offer (being 8.00 a.m. on 3 October 2022), should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee (a "***bona fide market claim***").

Qualifying Non-CREST Shareholders who have sold all of their registered holdings prior to 6.00 p.m. on 3 October 2022 should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee (if known). The Application Form should not, however, be forwarded to or transmitted in or into the Restricted Jurisdictions.

Qualifying Non-CREST Shareholders who have sold or otherwise transferred part only of their registered holdings prior to 6.00 p.m. on 3 October 2022 should, if the market claim is to be settled outside CREST, complete Box 10 of the Application Form and immediately deliver to the broker, bank or other agent through whom the sale or transfer was effected (or to the Registrars) the Application Form, together with a letter stating:

- (i) the number of replacement Application Forms required (being one for the Qualifying Non-CREST Shareholder in question and one for each of the purchasers or transferees);
- (ii) the total number of Existing Ordinary Shares to be included in each replacement Application Form (the aggregate of which must equal the aggregate number of Existing Ordinary Shares held by such Qualifying Non-CREST Shareholder prior to the part-transfer or disposal); and
- (iii) the Basic Entitlement to be included in each replacement Application Form (the aggregate of which must equal the number shown in Box 4 of the original Application Form being returned with such letter),

so as to be received by 3.00 p.m. on 17 October 2022, the Registrar will then create new Application Forms, mark the Application Forms "Declaration of sale or transfer duly made" and send them by post to the person submitting the original Application Form.

Application procedures

Qualifying Non-CREST Shareholders who wish to apply to subscribe for all or any of the Open Offer Shares in respect of their Basic Entitlement and Excess Entitlement must return the Application Form in accordance with the instructions thereon.

Completed Application Forms should be posted in the accompanying pre-paid envelope (in the UK only) or delivered by hand (during normal office hours only) to the Registrar (who will act as the Company's receiving agent in relation to the Open Offer) so as to be received by the Registrar by no later than 11.00 a.m. on 19 October 2022, after which time, subject to the limited exceptions set out below, Application Forms will not be valid. Applications delivered by hand will not be checked

upon delivery and no receipt will be provided. Qualifying Non-CREST Shareholders should note that applications, once made, will, subject to the very limited withdrawal rights set out in this document, be irrevocable and receipt thereof will not be acknowledged.

If an Application Form is being sent by first-class post in the UK, Qualifying Non-CREST Shareholders are recommended to allow at least four working days for delivery. Completed Application Forms should be returned together with a cheque in sterling made payable to "Neville Registrars Limited re: Clients Account" for the full amount payable on acceptance, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received as soon as possible and, in any event, not later than 11.00 a.m. on 19 October 2022.

Payment in sterling

All payments must be made by cheque in sterling made payable to "Neville Registrars Limited re: Clients Account". Third party cheques will not be accepted except building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque to such effect. The account name should be the same as that shown on the application. Cheques must be drawn on an account at a bank or building society or a branch of a bank or building society which must be in the UK, the Channel Islands or the Isle of Man and which is either a settlement member of Cheque & Credit Clearing Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by either of those companies. Cheques must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via CHAPS, BACS or electronic transfer will not be accepted.

The Company reserves the right to have cheques presented for payment on receipt. No interest will be allowed on payments made before they are due and any interest on such payments will be paid to the Company. It is a term of the Open Offer that cheques must be honoured on first presentation and the Company and finnCap may elect to treat as invalid any acceptances in respect of which cheques are not honoured. Return of the Application Form with a cheque will constitute a warranty that the cheque will be honoured on first presentation. If cheques are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in an interest-bearing account retained for the Company 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.

If New Ordinary Shares are allotted to a Qualifying Shareholder and a cheque for that allotment is subsequently not honoured, the Company and finnCap may (in their absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of such Qualifying Shareholder and hold the proceeds of sale (net of the Company's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any stamp duty or SDRT payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholder pursuant to the provisions of this Part III of this document in respect of the acquisition of such shares) on behalf of such Qualifying Shareholder. Neither the Company nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by any Qualifying Shareholder as a result.

For all enquiries in connection with the Application Forms, please contact the Registrar on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK 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 Placing and Open Offer nor give any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes.

Discretion as to validity of acceptances

If payment is not received in full by 11.00 a.m. on 19 October 2022, the offer to subscribe for Open Offer Shares will be deemed to have been declined and will lapse. However, the Company and finnCap may, but shall not be obliged to, treat as valid (a) Application Forms and accompanying remittances that are received through the post not later than 11.00 a.m. on 19 October 2022; and (b) acceptances in respect of which a remittance is received prior to 11.00 a.m. on 19 October 2022 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of New Ordinary Shares to be acquired and undertaking to lodge the relevant Application Form, duly completed, by 11.00 a.m. on 19 October 2022 and such Application Form is lodged by that time.

The Company and finnCap may also (in their absolute discretion) treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required. The Company and finnCap reserve the right to treat as invalid any application or purported application for the Open Offer Shares that appears to the Company or finnCap to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for Open Offer Shares in a Restricted Jurisdiction.

Effect of Application

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. By completing and delivering an Application Form the applicant:

- (a) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and finnCap that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (c) confirms with the Company and finnCap that in making the application he is not relying on any information or representation other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information contained in this document (including information incorporated by reference);
- (d) represents and warrants to the Company and finnCap that he is the Qualifying Shareholder originally entitled to the Basic Entitlement and Excess Entitlement or that he received such entitlements by virtue of a *bona fide* market claim;
- (e) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the articles of association of the Company;
- (f) represents and warrants to the Company and finnCap that if he has received some or all of his Basic Entitlement and Excess Entitlement from a person other than the Company, he is entitled to apply under this Open Offer in relation to such entitlement by virtue of a *bona fide* market claim;
- (g) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of any person who is: (a) located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by

law and, (b) he is not applying with a view to re-offering, reselling, 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 located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, except where proof satisfactory to the Company has been provided to the Company, in respect of (a) and (b) above, that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (h) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (i) represents and warrants to the Company and finnCap that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (j) confirms that in making the application he is not relying and has not relied on the Company and finnCap or any person affiliated with the Company and finnCap in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

Money Laundering Regulations

To ensure compliance with the Money Laundering Regulations, the Registrar may require, in its absolute discretion, verification of the identity of the beneficial owner 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 an application is made 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 Registrar. In such case, the lodging agent's stamp should be inserted on the Application Form.

The applicant lodging the Application Form with payment, including any person who appears to the Registrar to be acting on behalf of some other person, shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements. Submission of an Application Form shall constitute a warranty that the Money Laundering Regulations will not be breached by the acceptance of remittance and an undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purpose of the Money Laundering Regulations.

If the Registrar determines that the verification of identity requirements apply to any applicant or application, the relevant New Ordinary Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. the Registrar is entitled, in its

absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither the Registrar nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, the Registrar has not received evidence satisfactory to it as aforesaid, the Company and finnCap may, in their absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque was drawn.

The verification of identity requirements will not usually apply if:

- (a) the applicant is a regulated UK broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (b) the applicant is an organisation required to comply with the EU Money Laundering Directive (No. 91/308/EEC) as amended by Directives 2001/97/EC and 2005/60/EC; or
- (c) the applicant is a company whose securities are listed on a regulated market subject to specified disclosure obligations; or
- (d) the applicant (not being an applicant who delivers his/her application in person) makes payment through an account in the name of such applicant with a credit institution which is subject to the Money Laundering Regulations or with a credit institution situated in a non-EEA state which imposes requirements equivalent to those laid down in that directive; or
- (e) the aggregate subscription price for the relevant New Ordinary Shares is less than €15,000 (approximately £13,000 as at the date of this document).

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

Where the verification of identity requirements apply, please note the following as this will assist in satisfying the requirements. Satisfaction of these requirements may be facilitated in the following ways:

- (i) if payment is made by cheque in sterling drawn on a branch of a bank or building society in the UK and bears a UK bank sort code number in the top right hand corner, the following applies. Cheques, which are recommended to be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "Neville Registrars Limited re: Clients Account". Third party cheques will not be accepted except for building society cheques where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque to such effect. The account name should be the same as that shown on the application; or
- (ii) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in sub-paragraph (b) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-EU members of which are Argentina, Australia, Brazil, Canada, members of the Gulf Co-operation Council (being Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), Hong Kong, Iceland, Japan, Mexico, Luxembourg, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey and the US), the agent should provide written confirmation that it has that status with the Application Form(s) and written assurances that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar and/or any relevant regulatory or investigatory authority; or

- (iii) if an Application Form is lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his current address (for example, a photocard driving licence or utility bill).

To confirm the acceptability of any written assurance referred to in paragraph (ii) above, or in any other case, please contact the Registrar on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK 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.

Issue of New Ordinary Shares in certificated form

Definitive share certificates in respect of the New Ordinary Shares to be held in certificated form are expected to be despatched by post by 9 November 2022, at the risk of the person(s) entitled to them, to accepting Qualifying Non-CREST Shareholders or their agents or, in the case of joint holdings, to the first-named Shareholder, in each case at their registered address (unless lodging agent details have been completed on the Application Form).

5. ACTION TO BE TAKEN BY QUALIFYING CREST SHAREHOLDERS

General

Save as provided in paragraph 8 of this Part III of this document in relation to certain Shareholders in Restricted Jurisdictions, each Qualifying CREST Shareholder is expected to receive a credit to his CREST stock account of his Basic Entitlement equal to the maximum number of Open Offer Shares for which he is entitled to apply to subscribe under the Open Offer.

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

If for any reason it is impracticable to credit the stock accounts of Qualifying CREST Shareholders by 4 October 2022 (or such later time as the Company shall decide), Application Forms shall, unless the Company determines otherwise, be sent out in substitution for the Basic Entitlements and Excess Entitlements which have not been so credited and the expected timetable as set out in this document may be adjusted as appropriate. The Company will make an appropriate announcement to a RIS giving details of the revised dates but Qualifying CREST Shareholders may not receive any further written communication.

Qualifying CREST Shareholders who wish to take up all or part of their entitlements in respect of Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST Sponsored Member, you should consult your CREST Sponsor if you wish to take up your entitlement, as only your CREST Sponsor will be able to take the necessary action to take up your entitlements in respect of Open Offer Shares. If you have any queries on the procedure for acceptances and payment, please contact the Registrar on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK 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 Placing and Open Offer nor give any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

In accordance with the instructions of this paragraph 5 the CREST instruction must have been settled by 11.00 a.m. on 19 October 2022.

Bona fide market claims

The CREST Basic Entitlements and Excess Entitlements will each constitute a separate security for the purposes of CREST and will have a separate ISIN. Although Basic Entitlements and

Excess Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of the Basic Entitlements and Excess 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 Euroclear's Claims Processing Unit as "cum" the Basic Entitlement and Excess Entitlement will generate an appropriate market claim transaction and the relevant Basic Entitlements and Excess Entitlements will thereafter be transferred accordingly.

Excess Application Facility

Qualifying Shareholders may apply to acquire Open Offer Shares using the Excess Application Facility, should they wish, provided they have agreed to take up their Basic Entitlement in full. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Open Offer Shares in excess of their Basic Entitlement.

An Excess Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 8 of this Part III of this document in relation to Shareholders in Restricted Jurisdictions, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and the Excess Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess Entitlements will 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.

To apply for Excess Shares pursuant to the Excess Application Facility, Qualifying CREST Shareholders should follow the instructions in the paragraphs below entitled "USE Instructions" and "Content of USE Instruction in respect of Excess Entitlements" and must not return a paper form and cheque.

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

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Basic Entitlements in full. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

USE instructions

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

- (a) the crediting of a stock account of the Registrar under the CREST participant ID and CREST member account ID specified below, with a number of Basic Entitlements and/or Excess Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Registrar in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (a) above.

Content of USE instructions in respect of Basic 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:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Basic Entitlements being delivered to the Registrar);
- (b) the ISIN of the Basic Entitlement. This is GB00BMTWWD71;
- (c) the CREST participant ID of the CREST Member;
- (d) the CREST Member account ID of the CREST Member from which the Basic Entitlements are to be debited;
- (e) the participant ID of the Registrar in its capacity as a CREST receiving agent. This is 7RA11;
- (f) the CREST Member account ID of the Registrar in its capacity as a CREST receiving agent. This is BASIC.
- (g) 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 (a) above;
- (g) the intended settlement date. This must be on or before 11.00 a.m. on 19 October 2022; and
- (h) 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. In order to assist prompt settlement of the USE instruction, CREST Members 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 October 2022 in order to be valid is 11.00 a.m. on that day. After 21 October 2022, the New Ordinary Shares will be registered and freely transferable in electronic form under the CREST system.

If the conditions to the Placing and Open Offer are not fulfilled at or before 8.00 a.m. on 21 October 2022, or such other time and/or date as may be agreed between the Company and finnCap, the Open Offer will lapse, the Basic Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by way of a CREST payment, without interest as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

Content of USE instruction in respect of Excess 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:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Excess Entitlements being delivered to the Registrar);
- (b) the ISIN of the Excess Entitlement. This is GB00BMTWXZ66;
- (c) the CREST participant ID of the CREST Member;
- (d) the CREST Member account ID of the CREST Member from which the Excess Entitlements are to be debited;
- (e) the participant ID of the Registrar in its capacity as a CREST receiving agent. This is 7RA11;
- (f) the CREST Member account ID of the Registrar in its capacity as a CREST receiving agent. This is EXCESS;
- (g) 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 (a) above;
- (i) the intended settlement date. This must be on or before 11.00 a.m. on 19 October 2022; and
- (j) 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. In order to assist prompt settlement of the USE instruction, CREST members 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 October 2022 in order to be valid is 11.00 a.m. on that day. After 21 October 2022, the New Ordinary Shares will be registered and freely transferable in electronic form under the CREST system.

If the conditions to the Placing and Open Offer are not fulfilled at or before 8.00 a.m. on 21 October 2022, or such other time and/or date as may be agreed between the Company and finnCap, the Open Offer will lapse, the Excess Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by way of a CREST payment, without interest as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

CREST procedures and timings

Qualifying CREST Shareholders who are CREST Members and CREST Sponsors (on behalf of CREST Sponsored Members) 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 Qualifying CREST Shareholder concerned to take (or, if the Qualifying CREST Shareholder is a CREST Sponsored Member, to procure that his CREST Sponsor takes) the action necessary to ensure that a valid acceptance is received as stated above by 11.00 a.m. on 19 October 2022. In this connection, Qualifying CREST Shareholders and (where applicable) CREST Sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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 October 2022 will constitute a valid application under the Open Offer.

Incorrect or incomplete applications

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

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

Effect of application

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

- (a) represents and warrants to the Company and finnCap that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and finnCap that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by and construed in accordance with the laws of England;
- (c) confirms with the Company and finnCap that in making the application he is not relying on any information or representation other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information contained in this document (including information incorporated by reference);
- (d) represents and warrants to the Company and finnCap that he is the Qualifying Shareholder originally entitled to the Basic Entitlements and Excess Entitlements or that he received such Basic Entitlements and the Excess Entitlements by virtue of a bona fide market claim;
- (e) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and the Application Form, subject to the articles of association of the Company;
- (f) represents and warrants to the Company and finnCap that if he has received some or all of his Basic Entitlements and Excess Entitlements from a person other than the Company, he is entitled to apply under this Open Offer in relation to such Basic Entitlements and Excess Entitlements by virtue of a bona fide market claim;

- (g) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of any person who is: (a) located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, in or of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law and, (b) he is not applying with a view to re-offering, reselling, 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 located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Restricted Jurisdiction or any jurisdiction in which the application for Open Offer Shares is prevented by law, except where proof satisfactory to the Company has been provided to the Company, in respect of (a) and (b) above, that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome, nor acting on behalf of any such person on a non-discretionary basis nor a person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (h) represents and warrants to the Company and finnCap that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of the United States or any other jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of the United States or any other jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (i) represents and warrants to the Company and finnCap that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (j) confirms that in making the application he is not relying and has not relied on the Company and finnCap or any person affiliated with the Company and finnCap in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

Discretion as to rejection and validity of acceptances

The Company may:

- (a) reject any acceptance constituted by a USE instruction, which is otherwise valid, in the event of breach of any of the representations, warranties and undertakings set out or referred to in this paragraph 5 of this Part III of this document. Where an acceptance is made as described in this paragraph 5 which is otherwise valid, and the USE instruction concerned fails to settle by 11.00 a.m. on 19 October 2022 (or by such later time and date as the Company may determine), the Company shall be entitled to assume, for the purposes of their right to reject an acceptance as described in this paragraph 5, that there has been a breach of the representations, warranties and undertakings set out or referred to in this paragraph 5 above unless the Company is aware of any reason outside the control of the Qualifying CREST Shareholder or CREST Sponsor (as appropriate) concerned for the failure of the USE instruction to settle;
- (b) treat as valid (and binding on the Qualifying CREST Shareholder concerned) an acceptance which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 5;

- (c) accept an alternative properly authenticated dematerialised instruction from a Qualifying CREST Shareholder or (where applicable) a CREST Sponsor as constituting a valid acceptance in substitution for, or in addition to, a USE instruction and subject to such further terms and conditions as the Company may determine;
- (d) treat a properly authenticated dematerialised instruction (in this sub-paragraph (d), the "**first instruction**") as not constituting a valid acceptance if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction, either the Company or the Registrar has received actual notice from Euroclear of any of the matters specified in CREST Regulation 35(5)(a) 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
- (e) accept an alternative instruction or notification from a Qualifying CREST Shareholder or (where applicable) a CREST Sponsor, or extend the time for acceptance and/or settlement of a USE instruction or any alternative instruction or notification if, for reasons or due to circumstances outside the control of any Qualifying CREST Shareholder or (where applicable) CREST Sponsor or Qualifying CREST Shareholder is unable validly to take up all or part of his Basic Entitlement and Excess Entitlement 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 of any part of CREST) or on the part of facilities and/or systems operated by the Registrar in connection with CREST.

Money Laundering Regulations

If you hold your Open Offer Shares in CREST and apply to take up all or part of your entitlement as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a bank, a broker or another UK financial institution), then, irrespective of the value of the application, the Registrar is required to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. Such Qualifying CREST Shareholders must therefore contact the Registrar before sending any USE instruction or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which constitutes, or which may on its settlement constitute, a valid acceptance as described above constitutes a warranty and undertaking by the applicant to the Company, finnCap and the Registrar to provide promptly to the Registrar any information the Registrar may specify as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar, having consulted with the Company, may take, or omit to take, such action as it may determine to prevent or delay settlement of the USE instruction. If satisfactory evidence of identity has not been provided within a reasonable time, the Registrar will not permit the USE instruction concerned to proceed to settlement (without prejudice to the right of the Company to take proceedings to recover any loss suffered by it/them as a result of failure by the applicant to provide satisfactory evidence).

Right to allot/issue in certificated form

Despite any other provision of this document, the Company reserves the right to allot and to 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 of a part of the facilities and/or systems operated by the Registrar in connection with CREST.

6. DEPOSIT OF BASIC ENTITLEMENTS AND EXCESS ENTITLEMENTS INTO, AND WITHDRAWAL FROM, CREST

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Application Form and any Excess Entitlements 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, Basic Entitlements and Excess Entitlements held in CREST may be withdrawn from CREST so that the

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

A holder of an Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlements and Excess Entitlements following their deposit into CREST to take all necessary steps in connection with taking up such entitlement prior to 11.00 a.m. on 19 October 2022.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, 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 a Basic Entitlement and Excess Entitlement in CREST, is 3.00 p.m. on 14 October 2022, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of a Basic Entitlement and Excess Entitlement from CREST is 4.30 p.m. on 14 October 2022 in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlement and Excess Entitlement 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 Basic Entitlement and Excess Entitlement prior to 11.00 a.m. on 19 October 2022.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account or 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 Registrar by the relevant CREST Member(s) that it is/they are not in breach of the provisions of the notes set out in the Application Form, and a declaration to the Company and the Registrar from the relevant CREST Member(s) that it/they is/are not located in, or citizen(s) or resident(s) of any Restricted Jurisdiction, and that it/they is/are not located in the United States and, where such deposit is made by a beneficiary or 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.

7. WITHDRAWAL RIGHTS

Qualifying Shareholders wishing to exercise the withdrawal rights under section 87Q(4) of FSMA after the issue by the Company of a circular or prospectus supplementing this document (if any) must do so by lodging a written notice of withdrawal, which shall not include a notice sent by facsimile or any other form of electronic communication, which must include the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a Qualifying CREST Shareholder the CREST participant ID and the CREST Member account ID of such Qualifying CREST Shareholder with Neville Registrars Limited or by hand (during normal business hours only) to Neville Registrars Limited, so as to be received no later than two working days after the date on which the supplementary circular or prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Registrar after expiry of such period will not constitute a valid withdrawal.

8. OVERSEAS SHAREHOLDERS

The comments set out in this paragraph 8 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.

8.1 General

The distribution of this document and the making or acceptance of the Open Offer to or by persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in

or nationals of, countries other than the UK, may be affected by the laws or regulatory requirements of the relevant jurisdictions. It is the responsibility of those persons to 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, finnCap or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the UK. Receipt of this document and/or an Application Form and/or a credit of a Basic Entitlement and Excess 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.

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

No person receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements and Excess 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 Basic Entitlements and Excess 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 Basic Entitlements and Excess Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.

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

None of the Company, finnCap, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Application Form and/or a credit of Basic Entitlements and Excess 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 Basic Entitlements and Excess 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 Basic Entitlements and Excess Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and finnCap determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Application Form and/or transfers Basic Entitlements and Excess Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the

attention of the recipient to the contents of this Part III of this document and specifically the contents of this paragraph 8.

The Company and finnCap reserve the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company, finnCap or their respective agents to have been executed, effected or despatched from the United States or a Restricted Jurisdiction or in a manner that may involve a breach of the laws or regulations of any other jurisdiction or if the Company, finnCap or their respective 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 Basic Entitlements and Excess Entitlements to a stock account in CREST, to a CREST Member whose registered address would be, in the United States or 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.

Notwithstanding any other provision of this document or the relevant Application Form, the Company and finnCap reserve the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company and finnCap, in their sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

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

Due to restrictions under the securities laws of the United States and the Restricted Jurisdictions, and subject to certain exceptions, Qualifying Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlement and Excess Entitlements. No public offer of Open Offer Shares is being made by virtue of this document or the Application Forms into the United States or any Restricted Jurisdiction. Receipt of this document and/or an Application Form and/or a credit of a Basic Entitlements and Excess 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.

8.2 **United States**

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

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

Subject to certain exceptions, any person who acquires New Ordinary Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Application Form and delivery of the New Ordinary Shares, that they are not, and that at the time of acquiring the New Ordinary Shares they will not be, in the United States or acting on behalf of, or for the account or benefit of a person on a non-discretionary basis in the United States or any state of the United States.

The Company and finnCap reserve the right to treat as invalid any Application Form that appears to the Company, finnCap or their respective agents to have been executed in, or despatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranty set out in the Application Form to the effect that the person completing the Application Form does not have a registered address and is not otherwise located in the United States and is not acquiring the New Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares in the United States or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements.

The Company will not be bound to allot or issue any Open Offer Shares to any person with an address in, or who is otherwise located in, the United States in whose favour an Application Form or any Open Offer Shares may be transferred. In addition, the Company and finnCap reserve the right to reject any USE instruction sent by or on behalf of any CREST Member with a registered address in the United States in respect of the Open Offer Shares. In addition, until 45 days after the commencement of the Open Offer, an offer, sale or transfer of the Open Offer Shares within the United States by a dealer (whether or not participating in the and Open Offer) may violate the registration requirements of the Securities Act.

8.3 Restricted Jurisdictions

Due to restrictions under the securities laws of the Restricted Jurisdictions and subject to certain exemptions, Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any Restricted Jurisdiction will not qualify to participate in the Open Offer and will not be sent an Application Form nor will their stock accounts in CREST be credited with Basic Entitlements and Excess Entitlements. The Open Offer Shares have not been and will not be registered under the relevant laws of any Restricted Jurisdiction or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Restricted Jurisdiction or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Restricted Jurisdiction except pursuant to an applicable exemption. No offer or invitation to apply for Open Offer Shares is being made by virtue of this document or the Application Forms into any Restricted Jurisdiction.

8.4 Other overseas territories

Application Forms will be sent to Qualifying Non-CREST Shareholders and Basic Entitlements and Excess Entitlements will be credited to the stock accounts in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Restricted Jurisdictions may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the UK should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

8.5 Representations and warranties relating to Overseas Shareholders

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 finnCap and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Restricted Jurisdiction; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to offer, sale, resale, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories. The Company and/or finnCap and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Application Form if it: (i) appears to the Company, finnCap or their respective agents to have been executed, effected or despatched from the United States or 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 the United States or 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 warranty required by this sub-paragraph.

Qualifying CREST Shareholders

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with the procedures set out in this Part III of this document represents and warrants to the Company and finnCap that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not within the United States or any Restricted Jurisdiction; (ii) he or she is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Restricted Jurisdiction (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to offer, sell, resell, transfer, deliver or distribute, directly or indirectly, any such Open Offer Shares into any of the above territories.

Waiver

The provisions of this paragraph 8 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and finnCap in their absolute discretion. Subject to this, the provisions of this paragraph 8 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 8 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 8 shall apply to them jointly and to each of them.

9. TIMES AND DATES

The Company shall, in agreement with finnCap and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this

document and in such circumstances shall notify the London Stock Exchange, and make an announcement on an RIS but Qualifying Shareholders may not receive any further written communication.

If a supplementary circular is issued by the Company two or fewer working days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three working days after the date of issue of the supplementary circular (and the dates and times of principal events due to take place following such date shall be extended accordingly).

10. TAXATION

Shareholders who are in any doubt as to their tax position in relation to taking up their entitlements under the Open Offer, or who are subject to tax in any jurisdiction other than the UK, should immediately consult a suitable professional adviser.

11. FURTHER INFORMATION

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

12. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law.

The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form.

By taking up Open Offer Shares, by way of all or part of their Basic Entitlements and Excess Entitlements, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART IV

QUESTIONS AND ANSWERS ABOUT THE OPEN OFFER

The questions and answers set out in this Part IV are intended to be in general terms only and, as such, you should read Part III 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 UK, or, if not, from another appropriately authorised independent financial adviser.

This Part IV deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the UK who hold their Existing Ordinary Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 8 of Part III 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 Basic Entitlement and Excess Entitlement. If you hold your Existing Ordinary Shares in uncertificated form (that is, through CREST) you should read paragraph 5 of Part III of this document for full details of what action you should take.

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

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

1. What is an open offer?

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

This Open Offer is an invitation by the Company to Qualifying Shareholders to apply to acquire up to an aggregate of 20,386,699 New Ordinary Shares at a price of 5 pence per share. If you hold Existing Ordinary Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or a Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 6 Open Offer Shares for every 7 Existing Ordinary Shares held by Qualifying Shareholders on the Record Date. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy a fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number. The Offer Price of 5 pence per Open Offer Share represents a discount of 72.6% to the Closing Price (being the latest practicable date prior to the date of this document).

The Excess Application Facility allows Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine, if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares, no assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

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

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

If you receive an Application Form and, subject to certain exceptions, are not a holder with a registered address or located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Ordinary Shares before 8.00 a.m. on 3 October 2022 (the time when the Existing Ordinary Shares are expected to be marked "ex' entitlement" by the London Stock Exchange).

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

If you hold your Existing Ordinary Shares in certificated form and, subject to certain exceptions, do not have a registered address, and are not located in, the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

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

Subject to certain exceptions, if you have a registered address in the United States or any other the Restricted Jurisdiction, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Basic 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) 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 October 2022, after which time Application Forms will not be valid.

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

(a) If you do not want to take up your Basic Entitlement

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

You cannot sell your Application Form or your Basic Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 19 October 2022, the Company has made arrangements under which the Company has agreed to issue the Open Offer Shares to other Qualifying Shareholders under the Excess Application Facility.

If you do not take up your Basic Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted. Even if a Qualifying Shareholder subscribes for the Basic Entitlement under the Open Offer, their proportionate economic interest would be diluted by the issue of Placing Shares pursuant to the Placing.

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

If you want to take up some, but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 6 and 8 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 Boxes 6 and 8. 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 £0.05, which is the price in pounds of each Open Offer Share (giving you an amount of £1.25 in this example). You should write this amount in Box 9, rounding up to the nearest whole pence and this should be the amount your cheque is made out for. You should then return the completed Application Form, together with a cheque for that amount, by post to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD or by hand (during normal office hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received by them by no later than 11.00 a.m. on 19 October 2022, 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 working 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 UK or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 4 of Part III of this document).

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

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 9 November 2022.

(c) If you want to take up all of your Basic 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 October 2022, 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 working 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 UK or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant's name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application.

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

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you by no later than 9 November 2022.

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

Provided you have agreed to take up your Basic Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlement as at the Record Date. You should write the number of Open Offer Shares comprised in your Basic Entitlement (as indicated in Box 4 of the Application Form) in Box 6 and write the number of Excess Shares for which you would like to apply in Box 7. You should then add the totals in Boxes 6 and 7 and insert the total number of Open Offer Shares for which you would like to apply in Box 8. For example, if you have a Basic Entitlement for 51 Open Offer Shares but you want to apply for 75 Open Offer Shares in total, then you should write '51' in Box 6, '24' in Box 7 and '75' in Box 8. 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, '75') by £0.05, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £3.75 in this example). You should write this amount in Box 9. You should then return 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 October 2022, 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 working days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Basic Entitlements, the Excess Shares may be allocated in such manner as the Directors may determine. No assurance can be given that excess applications by Qualifying Shareholders will be met in full or in part or at all.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be dispatched to you, at your own risk, by no later than 9 November 2022.

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

CREST Members should follow the instructions set out in Part III of this document. Persons who hold Existing Ordinary Shares through a CREST Member should be informed by the CREST Member through which they hold their Existing Ordinary Shares of (i) the number of Open Offer Shares which they are entitled to acquire under their Basic Entitlement and (ii) how to apply for Open Offer Shares in excess of their Basic Entitlement under the Excess Application Facility provided they choose to take up their Basic Entitlement in full and should contact them should they not receive this information.

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

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

- Qualifying CREST Shareholders who held their Existing Ordinary Shares in uncertificated form at 6.00 p.m. on 3 October 2022 and who have converted them to certificated form;
- Qualifying Non-CREST Shareholders who bought Existing Ordinary Shares before 6.00 p.m. on 3 October 2022 but were not registered as the holders of those shares at the close of business at 6.00 p.m. on 3 October 2022; and
- certain Overseas Shareholders.

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

7. Can I trade my Basic 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 Basic Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only). Basic 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 Basic Entitlement will have no rights under the Open Offer or receive any proceeds from it. The Open Offer is not underwritten.

8. What if I change my mind?

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

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

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

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

If you hold Existing Ordinary Shares in the Company directly and you sell some or all of your Existing Ordinary Shares before 3 October 2022, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Ordinary Shares on or after 3 October 2022, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

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

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

The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

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

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

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

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

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

The Registrar must receive the Application Form by no later than 11.00 a.m. on 19 October 2022, 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 working days for delivery.

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

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

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

It is expected that the Registrar will post all new share certificates by 9 November 2022.

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

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

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

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

19. What should I do if I live outside the UK?

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 Basic Entitlement and Excess Entitlement. Shareholders with registered addresses or who are located in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 8 of Part III of this document.

20. Further assistance

Should you require further assistance, please contact the Registrar on 0121 585 1131. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.00 p.m., Monday to Friday, excluding public holidays in England and Wales. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

PART V ADDITIONAL INFORMATION

1. DIRECTORS' INTERESTS

As at 1 October 2022 (being the latest practical date prior to publication of this document) and, subject to and immediately following Admission, the interest of the Directors in the issued share capital of the Company (excluding any options and assuming that the Directors do not take up their entitlements under the Open Offer) are as follows:

	<i>Current Holding of Existing Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Placing Shares</i>	<i>Holding post Admission</i>	<i>% of Enlarged Share Capital</i>
Klaas de Boer	250,000	1.05%	2,400,000	2,650,000	1.61%
Rachel Nooney	nil	nil	200,000	200,000	0.12%
Neil Austin	nil	nil	200,000	200,000	0.12%
Paul Denney	75,000	0.32%	200,000	275,000	0.17%
David Baynes	nil	nil	nil	nil	nil
David Armfield	50,000	0.25	nil	50,000	0.03%

2. MIDDLE MARKET QUOTATIONS

The following table sets out the middle market quotations for an existing Ordinary Share, as derived from the Daily Official List of the London Stock Exchange, for the first business day of each of the six months immediately preceding the date of this document and for 1 October 2022 (being the latest practicable date prior to the publication of this document):

Date	Existing Ordinary Share price (pence)
3 October 2022	5.6
1 September 2022	28.30
1 August 2022	30.19
1 July 2022	40.56
1 June 2022	30.66
3 May 2022	37.26
1 April 2022	54.26

3. PLACING AGREEMENT

The Company has entered into the Placing Agreement, details of which are set out in paragraph 6.2 of the letter from the Chairman of the Company in this document.

4. CONSENTS

The nominated adviser, broker and bookrunner to the Company is finnCap, which is authorised and regulated in the UK by the FCA. finnCap has given and not withdrawn its written consent to the issue of this document with inclusion herein of references to its name in the form and the context in which it appears.

5. INCORPORATION OF INFORMATION BY REFERENCE

In respect of the Company, the following documents are incorporated by reference in this document, and are available from the Company's website at <https://www.xerostech.com>.

- audited consolidated accounts for the 12 month period ended 31 December 2021.

Shareholders or other recipients of this document may request copies of the information incorporated by reference from the Company at its registered office at Unit 2, Evolution Advanced Manufacturing Park, Whittle Way, Catcliffe, Rotherham, South Yorkshire S60 5BL, or by telephone at + 44 (0)114 2699 656. Hard copies of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

6. AVAILABILITY OF THIS DOCUMENT

A copy of this document is available on the Company's website at the following address: <https://www.xerostech.com>.

XEROS TECHNOLOGY GROUP PLC

NOTICE OF GENERAL MEETING

Notice is given that a general meeting of Xeros Technology Group plc ("**Company**") will be held at the offices of Squire Patton Boggs (UK) LLP at Premier Place, 2 & A Half Devonshire Square, London EC2M 4UJ at 10.00 a.m. on 20 October 2022 for the purposes of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolutions 2, 3 and 4 will be proposed as special resolutions. Unless the context otherwise requires, words and expressions used in this notice, including in the notes herein, (the "**Notice**") have the meanings given to them in the circular to shareholders dated 3 October 2022, of which this Notice forms part.

ORDINARY RESOLUTION

1. That, subject to the passing of resolution 2, 3 and 4 pursuant to section 551 of the Companies Act 2006 (the "**Act**"), the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot Relevant Securities comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £140,387 pursuant to the Placing and Open Offer, and grant rights to subscribe for or to convert any Relevant Securities into shares in the Company, up to an aggregate nominal value of £140,387 in connection with the proposed issue of Warrants.

In this resolution 1, "**Relevant Securities**" means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

This authority is in addition to all existing authorities under section 551 of the Act.

Unless previously revoked, varied or renewed, this authority shall expire on the conclusion of the annual general meeting of the Company to be held in 2023.

SPECIAL RESOLUTIONS

2. That, subject to the passing of resolution 1 and 3, in accordance with section 618 of the Act, the 23,784,483 Ordinary Shares of 15 pence each in the issued share capital of the Company be sub-divided into 23,784,483 Ordinary Shares of 0.1 pence each in the capital of the Company and 23,784,483 Deferred Shares of 14.9 pence each in the capital of the Company.
3. That, subject to the passing of resolution 1 and 2, the articles of association set out in the document produced to this meeting (and initialled by the Chairman of the meeting for the purposes of identification) be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.
4. That, subject to the passing of resolutions 1, 2, and 3 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (as defined in section 560 of the Act) for cash and grant rights to subscribe for shares in the Company pursuant to the authorities granted by resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of the New Ordinary Shares and issue of Warrants in connection with the Placing and Open Offer.

This power is in addition to all existing powers under section 570 of the Act.

By order of the Board

Paul Michael Denney

3 October 2022

Registered office: Unit 2, Evolution Advanced Manufacturing Park, Whittle Way, Catcliffe, Rotherham, South Yorkshire S60 5BL

Registered in England and Wales No. 08684474

SCHEDULE 1

Summary of proposed changes to current articles

The Company is proposing the adoption of the New Articles rather than amendments to the Current Articles.

An explanation of the principal differences between the Current Articles and the New Articles is set out below. Other changes, which are of a minor, technical or clarifying nature, have not been noted. A copy of the proposed New Articles and a copy marked to show the changes from the Current Articles will be available for inspection at the General Meeting, and are on the Company's website at www.xerostech.com. The proposed New Articles will also be available at the Company's registered office.

Resolution 3 will be proposed as a special resolution. If passed, the New Articles will take effect from the conclusion of the General Meeting.

Share Rights

The New Articles contain provisions relating to the rights attaching to the Ordinary Shares and the Deferred Shares arising from the Capital Reorganisation.

The Ordinary Shares will have the same rights as those currently accruing to the Existing Ordinary Shares in issue under the Current Articles, including those relating to voting and entitlement to dividends.

The Deferred Shares will have no significant rights attached to them. The rights attaching to the Deferred Shares can be summarised as follows:

- the Deferred Shares will not entitle holders to receive any dividend or distribution or to receive notice or speak or vote at general meetings of the Company;
- the holders of the Deferred Shares will only be entitled to repayment of the amounts paid up on the Deferred Shares after the repayment of the capital paid up on the Ordinary Shares and the payment of £1,000,000 on each Ordinary Share;
- the Company shall have an irrevocable authority from each holder of Deferred Shares to appoint a person to execute on behalf of the holders of Deferred Shares a transfer of such Deferred Shares (without making any payment to the holders thereof);
- the Company shall have the right at any time to purchase all of the Deferred Shares in issue for an aggregate consideration of £1.00; and
- the passing of a resolution of the Company to cancel the Deferred Shares or to effect a reduction of capital shall not constitute a modification variation or abrogation of the rights attaching the Deferred Shares.

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 18 October 2022 (or, if the meeting is adjourned, 6.00 p.m. on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution.

Voting on all the Resolutions will be taken by way of a poll.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.

A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 3 and 4 below and the notes to the proxy form. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting. If a shareholder has appointed a proxy and attends the meeting in person, such proxy appointment will automatically be terminated.

If no voting indication is given, your proxy will vote or abstain from voting at his or her decision. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD and in the case of a member which is a corporation, the revocation notice must be executed in accordance with note 5 below. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice and must be received by the Registrars not less than 48 hours before the time fixed for the holding of the meeting or any adjourned meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote provided that in calculating such periods no account shall be taken of any part of a day that is not a working day. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person. Any member or his proxy attending the General Meeting has the right to ask any question at the General Meeting relating to the business of the General Meeting.

3. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Registrar on 0121 585 1131 or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Registrar, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD no later than 10.00 a.m. on 18 October 2022 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

As an alternative to submitting a hard copy proxy form, you may submit your proxy electronically at www.sharegateway.co.uk by using the Personal Proxy Registration Code as shown on the Form of Proxy. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 10.00 a.m. on 18 October 2022 (or, if the meeting is adjourned, no later than 48 hours applies. If you need help with voting online, please contact our Registrars, Neville Registrars Limited (0)121 585 1131 or via email at info@nevilleregistrars.co.uk.

Any power of attorney or any other authority under which the form of proxy is signed (or duly certified copy of such power or authority) must be included with the form of proxy.

4. CREST Members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST Sponsored Members, and those CREST Members who have appointed a voting

service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Neville Registrars (ID 7RA11) no later than 10.00 a.m. on 18 October 2022 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST Members and, where applicable, their CREST Sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or CREST Sponsored Member or has appointed a voting service provider(s), to procure that his or her CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST Sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Certificated Securities Regulations 2001.

Corporate representatives

5. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

A corporation's form of proxy must be executed pursuant to the terms of section 44 of the Companies Act 2006 or under the hand of a duly authorised officer or attorney.

Share capital

6. As at the date of this document, the Company's issued share capital comprised 23,784,483 ordinary shares of 15 pence each ("Ordinary Share"). Each Ordinary Share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this document is 23,784,483.