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This announcement contains inside information.

For immediate release

29 November 2018

Safestay plc

("Safestay" or the "Company")

Proposed Placing and Subscription to raise approximately £10 million

Open Offer to raise up to approximately £1 million

Safestay plc (AIM: SSTY), the owner and operator of an international brand of contemporary hostels, is pleased to announce that the Company is carrying out a placing and subscription to raise approximately £10 million, before expenses, via a placing of approximately 27.6 million New Ordinary Shares ("**Placing Shares**") at a price of 34 pence per share (the "**Placing**") and a subscription of approximately 1.8 million New Ordinary Shares ("**Subscription Shares**") at a price of 34 pence per share (the "**Subscription**").

In addition to the proposed Placing and Subscription, the Company intends to provide all Qualifying Shareholders with the opportunity to subscribe for an aggregate of approximately 2.85 million New Ordinary Shares ("**Open Offer Shares**") at a price of 34 pence per share, to raise up to approximately £1 million (before expenses), on the basis of 1 New Ordinary Share for every 12 Ordinary Shares held on the Record Date (the "**Open Offer**"). Shareholders subscribing for their full entitlement under the Open Offer may also request additional Open Offer Shares through an Excess Application Facility.

The proposed Placing, Subscription and Open Offer (together the "**Fundraising**") will be subject to (amongst other things) Shareholder approval. A General Meeting is expected to be convened on or around 17 December 2018. The Fundraising is not being underwritten.

The Placing will be conducted by way of an accelerated bookbuild process which will be launched immediately following this announcement, in accordance with the terms and conditions set out in the Appendix to this announcement. Safeland Holdings Corporation and Safeland plc (of which Larry Lipman is a shareholder) and certain Directors intend to participate in the Fundraising by way of the Subscription. Canaccord Genuity is acting as Nominated Adviser and Broker in connection with the Fundraising.

Rationale for the Fundraise

The Fundraising is primarily to continue the implementation of the Company's successful roll-out strategy. In particular, the Board believes that, based on the management team's extensive experience of developing a brand led portfolio of sites, this is an opportune time to expand and to continue to benefit from early mover advantage in this fragmented but growing market.

The Company intends to use the net proceeds of the Fundraising for three primary purposes, being:

- growth capital for existing investments;
- the conversion and refinancing of two current sites; and
- to fund potential opportunities in new locations to accelerate growth

The Directors believe that the Fundraising will also enable Safestay to leverage its platform and established brand with a view to building a self-sustaining growth position through significant organic and acquisition opportunities.

These factors, together with the Board's belief in the strength and future potential of the Safestay brand has meant the Company is seeking to raise a significant amount relative to the Company's current market capitalisation. This being the case, the Board considers it important that Qualifying Shareholders have the opportunity to participate in the Fundraising, and the Directors have concluded that the Open Offer is the most suitable option available to the Company and its Shareholders.

Current Trading

As announced on 25 September 2018 when the Company released its interim results for the six months to 30 June 2018, the Company is continuing its expansion and is on track to deliver double-digit growth in revenue in 2018. On 11 October 2018, the Company announced the acquisition of its eighth property in continental Europe, currently operating as Hotel Opera in central Brussels, for €1.6 million. On 30 October 2018, the Company announced that it had successfully secured a 20-year lease at a well-located site in the heart of Vienna, its ninth property in continental Europe. No consideration was paid to enter this lease. The Group intends to convert both the Brussels and the Vienna properties into hostels within 3 months of their acquisition.

Since 30 June 2018, the Group has continued to perform in line with management expectations.

The Company's cash balance at 26 November 2018 was approximately £1.3 million.

Larry Lipman, Executive Chairman, commented:

"We continue to believe that Safestay is a proven and scaleable brand. This, together with the current market environment favouring the buyer, means the proposed Fundraising is timely and once invested will enable us to leverage the Company's existing platform and established brand with a view to building a self-sustaining growth position, through significant organic and acquisition opportunities.

As a management team we are excited by the opportunities in front of us. The proposed new capital reflects our ambition to evolve Safestay into a leading contemporary hostel brand offering guests a safe and stylish experience staying in centrally located buildings at competitive rates per night.

I am also pleased that we are offering Shareholders the opportunity to participate in the next growth stage of the business."

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Background to the Placing, Subscription and Open Offer, and Use of Proceeds

Safestay's model

Safestay is an established business with a strong brand and platform. The Company has demonstrated an ability to acquire, convert, expand, develop and operate sites in prime European city locations, often within short timescales.

Safestay's business model offers a flexible product that can be adjusted and adapted to fit any building, unlike traditional hotel developments. The Company's hostels also appeal to a broader demographic than traditional hotel developments. These factors contribute towards a successful cash generative business model.

The Company has experienced rapid expansion and growth in the recent past as illustrated by the following metrics:

- 106 per cent. compound average revenue growth ("**CAGR**") since the Company's admission to trading on AIM in 2014;
- Since 2014, the Company's portfolio has grown from 1 to 13 properties in 7 countries and is currently constituted as follows:
 - 10 hostels currently operating in 4 countries;
 - 2 hotels acquired in October 2018, which are in the process of being converted into hostels; and
 - 1 hostel currently under construction with work due to complete in 2020.
- Hostel EBITDAR margins have increased since 2016 by 10 pts to 49 per cent.

The Directors typically evaluate opportunities against the following target metrics (although there can be no assurance that opportunities which are pursued will meet some or all of such target metrics, and the Directors could pursue opportunities which fall outside such metrics if they consider it reasonable and appropriate so to do):

- Situated in top touristic European destinations;
- City centre locations;
- In buildings ideally able to accommodate 200 beds or more;
- 25 per cent. EBITDA (50 per cent. if the freehold is being acquired);
- Rent/EBITDAR ratio less than 55 per cent;
- Unleveraged target IRR of at least 15 per cent;
- Positive Net Present Value assuming an exit in year 10.

With an efficient central platform with the ability to absorb further growth in the coming years, the Company's experienced management team hope to continue its ambitious roll out plan in 2019 and beyond.

Detailed Use of Funds

The Company intends to use the proceeds of the Fundraising to:

- i. finance the development of the Paris property;
- ii. convert the recently acquired Brussels and Vienna sites from hotels into hostels;
- iii. refinance the Brussels property; and
- iv. explore potential opportunities in new locations.

The redevelopment of the Paris property, which is already under construction, is currently expected to cost approximately £2.4 million and will result in a brand new hostel in an ideal location. The property will accommodate 246 beds and will target a non-leveraged IRR of 15%.

Refinancing the Brussels property will cost approximately £1.4 million and the cost of conversion is currently expected to be approximately £0.2 million. The property will accommodate 196 beds, thus capitalizing on its great location, and will target a non-leveraged IRR of 29%.

Converting the Vienna site is currently expected to cost approximately £0.1 million. This existing high-quality hotel will accommodate 234 beds.

The Company is also exploring potential opportunities in new locations. Examples of cities where opportunities may exist include Rome, Milan, Florence, Venice, Berlin, Amsterdam, Copenhagen, Warsaw, Krakow, Ljubljana, Budapest, Dubrovnik, Istanbul, Liverpool, Glasgow, Manchester, Dublin, Athens and Tel Aviv.

Illustrative examples of acquisition opportunities which fit the Company's stated strategy include sites in major European cities including Athens and Venice of between 200 and 700 beds with investment sizes (including anticipated acquisition and development costs) ranging from £3 million to £7 million per site and target IRRs of approximately 20%.

If Safestay were to execute opportunities such as those mentioned in the immediately preceding paragraph, the illustrative portfolio in 2021 would comprise 15 properties across 9 countries with 4,215 beds. Mainland Europe would represent approximately 63% of the Group's bed stock.

The execution of such opportunities would expand the Company's scale and provide it with increased market share, elevating its position as a premier operator in the European hostel arena. The Directors believe that this would in turn lead to accelerated self-funding growth through cash flow generation as the portfolio scales and matures whilst enhancing operational leverage through the dilution of central costs, driven by operational economies of scale.

Principal terms of the Placing

The Company is proposing to issue approximately 27.6 million Placing Shares pursuant to the Placing.

The Placing will be conducted by way of an accelerated bookbuild process to institutional investors which will be launched immediately following this announcement, in accordance with the terms and conditions set out in the Appendix to this announcement.

Pursuant to the Placing and Open Offer Agreement, Canaccord Genuity, as agent for the Company, has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price. The Placing and Open Offer Agreement is conditional upon, among other things, the passing, without amendment, of the Resolutions at the General Meeting; Admission occurring by no later than 8.00 a.m. on 18 December 2018 (or such later time and/or date as may be agreed between the Company and Canaccord Genuity, being no later than 5.00 p.m. on 31 December 2018); and the Placing and Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms.

The Placing and Open Offer Agreement contains customary warranties given by the Company in favour of Canaccord Genuity in relation to, among other things, the accuracy of the information in the Circular and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Canaccord Genuity (and its affiliates) in relation to certain liabilities which they may incur in respect of the Placing and the Open Offer. The Company has also given certain undertakings to Canaccord Genuity.

Canaccord Genuity has the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission. In particular, in the event of breach of the warranties or a material adverse change or if the Placing and Open Offer Agreement does not become unconditional.

Under the Placing and Open Offer Agreement, the Company has agreed to pay to Canaccord Genuity a commission based on the aggregate value of the New Ordinary Shares issued at the Issue Price pursuant to the Fundraising and the costs and expenses of the Fundraising together with any applicable VAT.

The Placing is not being underwritten and the Placing Shares are not subject to clawback and are not part of the Open Offer.

Principal terms of the Subscription

The Subscription Shares are being subscribed for directly by the Subscribers at the Issue Price.

The Subscription is not being underwritten and the Subscription Shares are not subject to clawback and are not part of the Open Offer.

Principal terms of the Open Offer

The Open Offer provides an opportunity for all Qualifying Shareholders to participate in the fundraising by both subscribing for their respective Basic Entitlements and by subscribing for Excess Shares under the Excess Application Facility, subject to availability.

Pursuant to the Open Offer, Qualifying Shareholders will be given the opportunity to subscribe for 1 Open Offer Share for every 12 Ordinary Shares held on the Record Date.

The Open Offer will raise gross proceeds of up to approximately £1 million, assuming full take-up.

The Issue Price represents a 9.3 per cent. discount to the Closing Price of 38 pence per Ordinary Share on 28 November 2018, being the latest practicable date prior to the release of this announcement.

Directors' Participation and Related Party Transactions

The Company is pleased to confirm that all of the Directors intend to participate in the Fundraising.

Pyrrho Investments Limited ("**Pyrrho**"), of which Anson Chan and Paul Cummins are directors and Anson Chan's family trust is shareholder, has indicated an intention to subscribe for approximately 9,698,897 Placing Shares in the Placing. Due to the size of Pyrrho's existing holding of 9,326,741 Ordinary Shares in the capital of the Company, representing approximately 27.26 per cent. of the current Issued Share Capital, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Safeland Holdings Corporation and Safeland plc (together "**Safeland**"), of which Larry Lipman is a shareholder, have each indicated an intention to subscribe for approximately 294,117 and 1,176,470 Subscription Shares in the Subscription respectively. Due to the combined size of Safeland's existing holding of 3,945,114 Ordinary Shares in the capital of the Company, representing approximately 11.5 per cent. of the current Issued Share Capital, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Larry Lipman, in his own personal capacity, has also committed to subscribe for approximately 149,999 Subscription Shares in the Subscription. Due to Larry Lipman's position as Chairman of the Company, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Nuno Sacramento has committed to subscribe for approximately 29,411 Subscription Shares in the Subscription. Due to Nuno Sacramento's position as Chief Operating Officer of the Company, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Hervé Deligny has committed to subscribe for approximately 44,117 Subscription Shares in the Subscription. Due to Hervé Deligny's position as Chief Financial Officer of the Company, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Stephen Moss has committed to subscribe for approximately 108,155 Subscription Shares in the Subscription. Due to Stephen Moss' position as a non-executive Director of the Company, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Michael Hirst has committed to subscribe for approximately 42,975 Placing Shares in the Placing. Due to Michael Hirst's position as a non-executive Director of the Company, this transaction is considered to be a related party transaction pursuant to AIM Rule 13 of the AIM Rules.

Canaccord Genuity, the Company's nominated adviser, considers that the terms of the related party transactions described above are fair and reasonable insofar as Shareholders are concerned.

Irrevocable undertakings

Each of Safeland plc, Larry Lipman, Stephen Moss and Michael Hirst has given an irrevocable undertaking to the Company, in respect of their entire beneficial holding totalling, in aggregate, 1,652,752 Ordinary Shares, representing approximately 4.83 per cent. of the Issued Share Capital, to vote in favour of the Resolutions.

General terms

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Admission is expected to take place, and dealings on AIM are expected to commence, at 8.00 a.m. on 18 December 2018 (or such later time and/or date as may be agreed between the Company and Canaccord Genuity, being no later than 5.00 p.m. on 31 December 2018). No temporary document of title will be issued.

The New Ordinary Shares will, following Admission, rank *pari passu* in all respects with the Ordinary Shares in issue at the date of this document and will carry the right to receive all dividends and distributions declared, made or paid on or in respect of the Ordinary Shares after Admission.

The Placing, Subscription and the Open Offer are conditional, *inter alia*, on the passing of the Resolutions at the General Meeting and Admission.

A circular containing, amongst other things, further details of the Placing, Subscription and Open Offer and the notice of the General Meeting is expected to be published by the Company shortly after completion of the accelerated bookbuild and to be despatched to Shareholders shortly thereafter.

Basic Entitlement

Qualifying Shareholders are invited, on and subject to the terms and conditions of the Open Offer, to apply for any number of Open Offer Shares (subject to the limit on the number of Excess Shares that can be applied for using the Excess Application Facility) at the Issue Price. Qualifying Shareholders have a Basic Entitlement of:

1 Open Offer Share for every 12 Ordinary Shares

registered in the name of the relevant Qualifying Shareholder on the Record Date.

Basic Entitlements under the Open Offer will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The aggregate number of Open Offer Shares available for subscription pursuant to the Open Offer will not exceed 2,851,595 New Ordinary Shares.

Allocations under the Open Offer

In the event that valid acceptances are not received in respect of all of the Open Offer Shares under the Open Offer, unallocated Open Offer Shares will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility provided always that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring their aggregate interest in the Company to more than the 29.9 per cent. Aggregate Limit.

Excess Application Facility

Subject to availability and assuming that Qualifying Shareholders have accepted their Basic Entitlement in full, the Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in addition to their Basic Entitlement up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder's Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit.

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete the relevant sections on the Application Form and should refer to paragraph 4.1(c) of Part II of this document for further information. Qualifying CREST Shareholders will have

Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of Part II of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess Applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all.

Application procedure under the Open Offer

Qualifying Shareholders may apply for any whole number of Open Offer Shares subject to the limit on applications under the Excess Application Facility referred to above. The Basic Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Basic Entitlements as shown in Box 3 on their Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Basic Entitlements standing to the credit of their stock account in CREST.

Qualifying Shareholders with holdings of Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements.

Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Basic Entitlement and also in respect of their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 3 December 2018.

Application will be made for the Basic Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The Basic Entitlements and Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST as soon as practicable after 8.00 a.m. on 3 December 2018. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim.

Qualifying CREST Shareholders should note that, although the Basic Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that their Application Form is not a negotiable document and cannot be traded.

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 II of this document and, where relevant, on the Application Form.

Conditionality

The Fundraising is conditional, among other things, upon the following:

- the passing, without amendment, of the Resolutions at the General Meeting;
- Admission occurring by no later than 8.00 a.m. on 18 December 2018 (or such later time and/or date as may be agreed between the Company and Canaccord Genuity, being no later than 5.00 p.m. on 31 December 2018); and
- the Placing and Open Offer Agreement becoming unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms.

If the conditions set out above are not satisfied or waived (where capable of waiver), the Placing, Subscription and the Open Offer will lapse; and

- (a) neither the Placing Shares nor the Subscription Shares will be issued and all monies received from investors in respect thereof will be returned to them (at the investors' risk and without interest) as soon as possible thereafter; and
- (b) any Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will, after that time and date, be disabled and application monies under the Open Offer will be refunded to the applicants, by cheque (at the applicant's risk) in the case of Qualifying Non-CREST Shareholders and by way of a CREST payment.

Expected Timetable

2018

Record Date for entitlement to participate in the Open Offer	5.00 p.m. on 28 November
Announcement of the Placing, Subscription and the Open Offer	29 November
Despatch of the Circular, the Form of Proxy and, to certain Qualifying Non-CREST Shareholders, the Application Form	30 November
Expected ex-entitlement date for the Open Offer	8.00 a.m. on 30 November
Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders	3 December
Recommended latest time and date for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 10 December
Latest time for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 11 December
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 12 December
Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 13 December
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 14 December
General Meeting	10.00 a.m. on 17 December
Result of the General Meeting and Open Offer announced through RIS	17 December
Admission of the New Ordinary Shares to trading on AIM	8.00 a.m. on 18 December
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST (uncertificated holders only)	As soon as practicable after 8.00 a.m. on 18 December
Expected date of despatch of definitive share certificates for the New Ordinary Shares in certificated form (certificated holders only)	W/C 31 December 2018

Notes:

- (1) The ability to participate in the Open Offer is subject to certain restrictions relating to Qualifying Shareholders with registered addresses or who are located or resident in countries outside the UK (particularly the Excluded Overseas Shareholders), details of which will be set out in paragraph 6 of Part II of the Circular. Subject to certain exceptions, Application Forms will not be despatched to, and Open Offer Entitlements will not be credited to the stock accounts in CREST of, Shareholders with registered addresses in any of the Restricted Jurisdictions.
- (2) Each of the times and dates set out in the above timetable and mentioned in this document is subject to change by the Company (with the agreement of Canaccord Genuity), in which event details of the new times and dates will be notified to the London Stock Exchange and the Company will make an appropriate announcement to a Regulatory Information Service.
- (3) References to times in this document are to London times unless otherwise stated.
- (4) Different deadlines and procedures for applications may apply in certain cases. For example, if a Qualifying Shareholder holds Ordinary Shares through a CREST member or other nominee, that person may set an earlier date for application and payment than the dates noted above.

- (5) Assumes that the Resolutions to be set out in the Notice of General Meeting are passed.

Your attention is drawn to the Appendix to this Announcement (which forms part of this Announcement), which sets out further information relating to the Bookbuilding Process and the terms and conditions of the Placing.

This announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this announcement.

IMPORTANT NOTICES

The distribution of this Announcement and/or the Placing and/or the Subscription and/or the Open Offer and/or issue of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Canaccord Genuity or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the New Ordinary Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such New Ordinary Shares in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Persons into whose possession this Announcement comes are required by the Company and Canaccord Genuity to inform themselves about and to observe any such restrictions.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia) (the "**United States**" or the "**US**"), Australia, Canada, Japan, the Republic of South Africa or New Zealand or any other jurisdiction in which the same would be unlawful. No public offering of the New Ordinary Shares is being made in any such jurisdiction.

All offers of the New Ordinary Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) does not apply.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing and/or the Open Offer or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the New Ordinary Shares; the relevant clearances have not been and will not be obtained for any applicable body in New Zealand in relation to the New Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan, the Republic of South Africa or New Zealand. Accordingly, the New Ordinary Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan or the Republic of South Africa, New Zealand or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

By participating in the Bookbuilding Process and the Placing, each person who is invited to and who chooses to participate in the Placing (a "**Placee**") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix.

This Announcement may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, United Kingdom domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made in this Announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this Announcement to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Canaccord Genuity Limited is authorised and regulated by the Financial Conduct Authority (the "FCA") in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Bookbuilding Process and the Placing and Open Offer, and Canaccord Genuity will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process or the Placing and Open Offer or any other matters referred to in this Announcement.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Canaccord Genuity or by any of its affiliates or agents as to, or in relation to, the accuracy or completeness of this Announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The New Ordinary Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

Information for Distributors

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

Notwithstanding the Target Market Assessment, 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 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 the requirements of any contractual, legal or regulatory selling restrictions in relation to the Proposals. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Canaccord will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Ordinary Shares pursuant to the Placing.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the New Ordinary Shares and determining appropriate distribution channels.

APPENDIX - TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEES ONLY REGARDING THE PLACING.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE DIRECTED ONLY AT PERSONS WHOSE ORDINARY ACTIVITIES INVOLVE THEM IN ACQUIRING, HOLDING, MANAGING AND DISPOSING OF INVESTMENTS (AS PRINCIPAL OR AGENT) FOR THE PURPOSES OF THEIR BUSINESS AND WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND ARE: (1) IF IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA ("**EEA**"), QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2.1(e) OF DIRECTIVE 2003/71/EC AS AMENDED, INCLUDING BY THE 2010 PROSPECTUS DIRECTIVE AMENDING DIRECTIVE (DIRECTIVE 2010/73/EC) AND TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE (THE "**PROSPECTUS DIRECTIVE**"); (2) IF IN THE UNITED KINGDOM, QUALIFIED INVESTORS AND (A) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**") (INVESTMENT PROFESSIONALS) OR (B) ARE PERSONS WHO FALL WITHIN ARTICLE 49(2)(a) TO (d) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER; OR (3) ARE PERSONS TO WHOM IT MAY OTHERWISE BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**").

THIS ANNOUNCEMENT AND THE INFORMATION IN IT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN SATURN PLC.

THE NEW ORDINARY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD OR TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, 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. THE NEW ORDINARY SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "**OFFSHORE TRANSACTIONS**" WITHIN THE MEANING OF, AND IN ACCORDANCE WITH, REGULATIONS UNDER THE SECURITIES ACT AND OTHERWISE IN ACCORDANCE WITH APPLICABLE LAWS. NO PUBLIC OFFERING OF THE NEW ORDINARY SHARES IS BEING MADE IN THE UNITED STATES OR ELSEWHERE.

THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE INFORMATION CONTAINED HEREIN IS RESTRICTED AND IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA, NEW ZEALAND OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

Each Placee should consult with its own advisers as to the legal, tax, business and related aspects of an investment in the Placing Shares. The price of shares in the Company and the income from them (if any) may go down as well as up and investors may not get back the full amount invested on disposal of their shares.

The distribution of this Announcement and/or the Placing and/or the Open Offer and/or issue of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Canaccord Genuity or any of their respective affiliates, agents, directors, officers or employees that would permit an offer of the New Ordinary Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such New Ordinary Shares in any jurisdiction where action for that purpose is required. Any failure to comply with these restrictions may

constitute a violation of the securities laws of such jurisdictions. Persons into whose possession this Announcement comes are required by the Company and Canaccord Genuity to inform themselves about and to observe any such restrictions.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, Japan, the Republic of South Africa or New Zealand or any other jurisdiction in which the same would be unlawful. No public offering of the New Ordinary Shares is being made in any such jurisdiction.

All offers of the New Ordinary Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus. In the United Kingdom, this Announcement is being directed solely at persons in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**") does not apply.

The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. The relevant clearances have not been, nor will they be, obtained from the securities commission of any province or territory of Canada, no prospectus has been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance; the relevant clearances have not been, and will not be, obtained for the South Africa Reserve Bank or any other applicable body in the Republic of South Africa in relation to the New Ordinary Shares and the New Ordinary Shares have not been, nor will they be, registered under or offering in compliance with the securities laws of any state, province or territory of Australia, Canada, Japan, the Republic of South Africa or New Zealand. Accordingly, the New Ordinary Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Canada, Japan, the Republic of South Africa or New Zealand or any other jurisdiction outside the United Kingdom.

Persons (including, without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this Announcement should seek appropriate advice before taking any action.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

By participating in the Bookbuilding Process and the Placing, each Placee will be deemed to have read and understood this Announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained herein and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in this Appendix.

In particular, each such Placee represents, warrants, undertakes, agrees and acknowledges (amongst other things) that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. in the case of a Relevant Person in a member state of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") who acquires any Placing Shares pursuant to the Placing:
 - (a) it is a Qualified Investor within the meaning of Article 2(1)(E) of the Prospectus Directive; and
 - (b) in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive:
 - (i) the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of Canaccord Genuity has been given to the offer or resale; or

- (ii) where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and
- 3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement; and
- 4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Appendix; and
- 5. except as otherwise permitted by the Company and subject to any available exemptions from applicable securities laws, it (and any account referred to in paragraph 4 above) is outside the United States acquiring the Placing Shares in offshore transactions as defined in and in accordance with Regulation S under the Securities Act.

The Company and Canaccord Genuity will rely on the truth and accuracy of the foregoing representations.

No prospectus

The New Ordinary Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require an admission document or prospectus in the UK or in any other jurisdiction. No prospectus, admission document or other offering document has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing or the Open Offer or the New Ordinary Shares and Placees' commitments will be made solely on the basis of the information contained in this Announcement, the announcement of the pricing of the Placing (the "**Placing Results Announcement**") and any information publicly announced through a Regulatory Information Service (as defined in the AIM Rules for Companies (the "**AIM Rules**")) by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**") and subject to any further terms set forth in the contract note sent to individual Placees.

Each Placee, by participating in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of Canaccord Genuity or the Company or any other person and none of Canaccord Genuity, the Company nor any other person acting on such person's behalf nor any of their affiliates has or shall have any liability for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company nor Canaccord Genuity are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Details of the Placing and Open Offer Agreement and the Placing Shares

Canaccord Genuity has today entered into a Placing and Open Offer Agreement (the "**Placing and Open Offer Agreement**") with the Company under which, on the terms and subject to the conditions set out in the Placing and Open Offer Agreement, Canaccord Genuity, as agent for and on behalf of the Company, has agreed to use its reasonable endeavours to procure Placees for the Placing Shares.

The Placing is conditional on the Placing and Open Offer Agreement becoming unconditional and not being terminated in accordance with its terms. The Placing is not being underwritten.

The Placing Shares will, when issued, be subject to the articles of association of the Company and credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of

1 penny each ("**Ordinary Shares**") in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

As part of the Placing, the Company has agreed that it will not for a period of 180 days after (but including) Admission, directly or indirectly, issue, offer, sell, lend, pledge, contract to sell or issue, grant any option, right or warrant to purchase or otherwise dispose of any Ordinary Shares (or any interest therein or in respect thereof) or other securities of the Company exchangeable for, convertible into or representing the right to receive Ordinary Shares or any substantially similar securities or otherwise enter into any transaction (including derivative transaction) directly or indirectly, permanently or temporarily, to dispose of any Ordinary Shares or undertake any other transaction with the same economic effect as any of the foregoing or announce an offering of Ordinary Shares or any interest therein or to announce publicly any intention to enter into any transaction described above. This agreement is subject to certain customary exceptions and does not prevent the grant or exercise of options under any of the Company's existing share incentives and share option schemes, or following Admission the issue by the Company of any Ordinary Shares upon the exercise of any right or option or the conversion of a security already in existence.

Application for admission to trading

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM.

Subject to amongst other things the Resolutions being passed at the General Meeting, it is expected that Admission will take place on or before 8.00 a.m. on 18 December 2018 and that dealings in the Placing Shares on AIM will commence at the same time.

Bookbuilding Process

Canaccord Genuity will today commence a bookbuilding process (the "**Bookbuilding Process**") to determine demand for participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

Canaccord Genuity and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuilding Process as they may, in their sole discretion, determine.

Principal terms of the Bookbuilding Process and Placing

1. Canaccord Genuity is acting as nominated adviser, broker and sole bookrunner to the Placing, as agent for and on behalf of the Company.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by Canaccord Genuity to participate. Canaccord Genuity and any of its affiliates are entitled to enter bids in the Bookbuilding Process.
3. The number of Placing Shares will be agreed between Canaccord Genuity and the Company following completion of the Bookbuilding Process and will be announced by the Company through a Regulatory Information Service (the "**Placing Results Announcement**") following the completion of the Bookbuilding Process and the entry into of the pricing memorandum by the Company and Canaccord Genuity. The Issue Price will be 34 pence.
4. To bid in the Bookbuilding Process, Placees should communicate their bid by telephone to their usual sales contact at Canaccord Genuity. Each bid should state the number of Ordinary Shares which a Placee wishes to acquire at the Issue Price. Bids may be scaled down by Canaccord Genuity on the basis referred to in paragraph 9 below. Canaccord Genuity is arranging the Placing as agent of the Company.
5. The Bookbuilding Process is expected to close no later than 5.00 p.m. on 29 November 2018 but may be closed earlier or later subject to the agreement of Canaccord Genuity and the Company. Canaccord Genuity may, in agreement with the Company, accept bids that are received after the Bookbuilding Process has closed. The Company reserves the right (upon agreement of Canaccord Genuity) to reduce or seek to increase the amount to be raised pursuant to the Placing, in its discretion.

6. Each Placee's allocation will be determined by Canaccord Genuity in its discretion following consultation with the Company and will be confirmed orally by Canaccord Genuity as soon as practicable following the close of the Bookbuilding Process. Canaccord Genuity's oral confirmation of an allocation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of Canaccord Genuity and the Company, under which it agrees to acquire the number of Placing Shares allocated to it on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of association. Except with Canaccord Genuity's consent, such commitment will not be capable of variation or revocation at the time at which it is submitted.
7. The Company will release the Placing Results Announcement following the close of the Bookbuilding Process detailing the aggregate number of the Placing Shares to be issued and the Issue Price at which such shares have been placed.
8. Each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by Canaccord Genuity. The terms of this Appendix will be deemed incorporated in that contract note.
9. Subject to paragraphs 4, 5 and 6 above, Canaccord Genuity may choose to accept bids, either in whole or in part, on the basis of allocations determined at its discretion and may scale down any bids for this purpose on such basis as it may determine or be directed. Canaccord Genuity may also, notwithstanding paragraphs 4, 5 and 6 above, subject to the prior consent of the Company: (a) allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time; and (b) allocate Placing Shares after the Bookbuilding Process has closed to any person submitting a bid after that time.
10. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Canaccord Genuity (as agent for the Company), to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
11. Except as required by law or regulation, no press release or other announcement will be made by Canaccord Genuity or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
12. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "*Registration and Settlement*".
13. All obligations under the Bookbuilding Process and Placing will be subject to fulfilment or waiver of the conditions referred to below under "*Conditions of the Placing*" and to the Placing not being terminated on the basis referred to below under "*Termination of the Placing*".
14. By participating in the Bookbuilding Process, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
15. To the fullest extent permissible by law, neither: (a) Canaccord Genuity, (b) any of its affiliates, agents, directors, officers, consultants or employees nor (c) to the extent not contained within (a) or (b), any person connected with Canaccord Genuity as defined in the FSMA ((b) and (c) being together "**affiliates**" and individually an "**affiliate**" of Canaccord Genuity) shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither Canaccord Genuity nor any of its affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of Canaccord Genuity's conduct of the Bookbuilding Process or of such alternative method of effecting the Placing as Canaccord Genuity and the Company may agree. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the Placing Shares to the Placees and Canaccord Genuity shall have no liability to the Placees for the failure of the Company to fulfil those obligations.

Registration and Settlement

If Placees are allocated any Placing Shares in the Placing they will be sent a contract note or electronic confirmation which will confirm the number of Placing Shares allocated to them, the Issue Price and the aggregate amount owed by them to Canaccord Genuity.

Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by Canaccord Genuity in accordance with either the standing CREST or certificated settlement instructions which they have in place with Canaccord Genuity.

Settlement of transactions in the Placing Shares (ISIN: GB00BKT0J702) following Admission will take place within the CREST system, subject to certain exceptions. Settlement through CREST is expected to occur on 18 December 2018 (the "**Settlement Date**") in accordance with the contract notes. Settlement will be on a delivery versus payment basis. However, in the event of any difficulties or delays in the admission of the Placing Shares to CREST or the use of CREST in relation to the Placing, the Company and Canaccord Genuity may agree that the Placing Shares should be issued in certificated form. Canaccord Genuity reserves the right to require settlement for the Placing Shares (or a portion thereof), and to deliver the Placing Shares (or a portion thereof) to Placees, by such other means as they deem necessary if delivery or settlement to Placees is not practicable within the CREST system or would not be consistent with regulatory requirements in a Placee's jurisdiction.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above, in respect of either CREST or certificated deliveries, at the rate of 2 percentage points above prevailing LIBOR as determined by Canaccord Genuity.

Each Placee is deemed to agree that if it does not comply with these obligations, Canaccord Genuity may sell any or all of their Placing Shares on their behalf and retain from the proceeds, for Canaccord Genuity's own account and benefit (as agent of the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for, and shall indemnify Canaccord Genuity on demand for, any shortfall below the Issue Price and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares to Canaccord Genuity, each Placee confers on Canaccord Genuity all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Canaccord Genuity lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees must ensure that, upon receipt, the conditional contract note is copied and delivered immediately to the relevant person within that organisation. Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to United Kingdom stamp duty or stamp duty reserve tax or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Conditions of the Placing

The Placing is conditional upon the Placing and Open Offer Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of Canaccord Genuity under the Placing and Open Offer Agreement are, and the Placing is, conditional upon, *inter alia*:

- (a) the Company and Canaccord Genuity agreeing the final number of Placing Shares and the Issue Price and executing a pricing agreement no later than 5.00 p.m. on the date of this Announcement (or such later time and/or date as Canaccord Genuity may agree with the Company);
- (b) the Resolutions having been duly passed (without amendment) at the General Meeting (or at any adjournment thereof);
- (c) the Company complying with its obligations and having satisfied all conditions under the Placing and Open Offer Agreement to the extent that they fall to be performed on or before Admission;

- (d) the Company having received the aggregate subscription proceeds in respect of the Subscription;
- (e) the Company having allotted, subject only to Admission, the New Ordinary Shares in accordance with the Placing and Open Offer Agreement; and
- (f) Admission having become effective at or before 8.00 a.m. on 18 December 2018 or such later time as Canaccord Genuity may agree with the Company being not later than 31 December 2018;

(all conditions to the obligations of Canaccord Genuity included in the Placing and Open Offer Agreement being together, the "**conditions**").

If any of the conditions set out in the Placing and Open Offer Agreement is not fulfilled or, where permitted, waived in accordance with the Placing and Open Offer Agreement within the stated time periods (or such later time and/or date as the Company and Canaccord Genuity may agree not being later than 31 December 2018), or the Placing and Open Offer Agreement is terminated in accordance with its terms, the Placing will lapse and the Placee's rights and obligations shall cease and terminate at such time and each Placee agrees that no claim can be made by or on behalf of the Placee (or any person on whose behalf the Placee is acting) in respect thereof.

By participating in the Bookbuilding Process, each Placee agrees that its rights and obligations cease and terminate only in the circumstances described above and under "*Termination of the Placing*" below and will not be capable of rescission or termination by it.

Canaccord Genuity may, in its absolute discretion and upon such terms as it thinks fit, waive fulfilment of all or any of the conditions in the Placing and Open Offer Agreement in whole or in part, or extend the time provided for fulfilment of one or more conditions, save that certain conditions including the condition relating to Admission referred to in paragraph (f) above may not be waived or extended. Any such extension or waiver will not affect Placees' commitments as set out in this Appendix.

Canaccord Genuity may terminate the Placing and Open Offer Agreement in certain circumstances, details of which are set out below.

Neither Canaccord Genuity nor any of its affiliates, agents, directors, officers or employees nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision any of them may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision any of them may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of Canaccord Genuity.

Termination of the Placing

Canaccord Genuity may, in its absolute discretion, by notice to the Company or any director thereof, terminate the Placing and Open Offer Agreement at any time up to Admission if in the good faith opinion of Canaccord Genuity, *inter alia*:

- (g) it shall come to the attention to Canaccord Genuity that any statement contained in this Announcement or any other document or announcement issued or published by or on behalf of the Company in connection with the Placing has become untrue, inaccurate or misleading in any material respect or any matter has arisen which would, if this Announcement or such other documents were issued at that time, constitute a material omission from this Announcement or such other documents;
- (h) any of the warranties given to it was untrue, inaccurate or misleading when made and/or any of the warranties have ceased to be true or accurate or has become misleading in each case by reference to the facts and circumstances subsisting at that time;
- (i) the Company has not complied or cannot comply with any of its obligations under the Placing and Open Offer Agreement or otherwise relating to the Placing and Admission;
- (j) there has been a material adverse change; or
- (k) there has been a force majeure event as set out in the Placing and Open Offer Agreement.

If the Placing and Open Offer Agreement is terminated in accordance with its terms, the rights and obligations of each Placee in respect of the Placing as described in this Announcement shall cease and terminate at such time and no claim can be made by any Placee in respect thereof.

By participating in the Bookbuilding Process, each Placee agrees with the Company and Canaccord Genuity that the exercise by the Company or Canaccord Genuity of any right of termination or any other right or other discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of the Company or Canaccord Genuity or for agreement between the Company and Canaccord Genuity (as the case may be) and that neither the Company nor Canaccord Genuity need make any reference to such Placee and that none of the Company, Canaccord Genuity nor any of their respective affiliates, agents, directors, officers or employees shall have any liability to such Placee (or to any other person whether acting on behalf of a Placee or otherwise) whatsoever in connection with any such exercise.

By participating in the Placing, each Placee agrees that its rights and obligations terminate only in the circumstances described above and under the "*Conditions of the Placing*" section above and will not be capable of rescission or termination by it after oral confirmation by Canaccord Genuity following the close of the Bookbuilding Process.

Representations, warranties and further terms

By submitting a bid in the Bookbuilding Process, each Placee (and any person acting on such Placee's behalf) represents, warrants, acknowledges, agrees and undertakes (for itself and for any such prospective Placee) that (save where Canaccord Genuity expressly agrees in writing to the contrary):

1. it has read and understood this Announcement in its entirety and that its acquisition of the Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise, other than the information contained in this Announcement and the Publicly Available Information;
2. it has not received a prospectus, admission document or other offering document in connection with the Placing and acknowledges that no prospectus, admission document or other offering document: (a) is required under the Prospectus Directive; and (b) has been or will be prepared in connection with the Placing;
3. the Ordinary Shares are admitted to trading on AIM, and that the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and that it is able to obtain or access such information without undue difficulty, and is able to obtain access to such information or comparable information concerning any other publicly traded company, without undue difficulty;
4. it has made its own assessment of the Placing Shares and has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing and neither Canaccord Genuity nor the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of any of them has provided, and will not provide, it with any material regarding the Placing Shares or the Company or any other person other than the information in this Announcement or the Publicly Available Information; nor has it requested Canaccord Genuity, the Company, any of their respective affiliates, agents, directors, employees or officers or any person acting on behalf of any of them to provide it with any such information;
5. neither Canaccord Genuity nor any person acting on behalf of it nor any of its affiliates, agents, directors, officers or employees has or shall have any liability for any Publicly Available Information, or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;
6. (a) the only information on which it is entitled to rely on and on which it has relied in committing to subscribe for the Placing Shares is contained in the Publicly Available Information, such

information being all that it deems necessary to make an investment decision in respect of the Placing Shares and it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on Publicly Available Information; (b) neither Canaccord Genuity, nor the Company (nor any of their respective affiliates, agents, directors, officers and employees) have made any representation or warranty to it, express or implied, with respect to the Company, the Placing or the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information or, if received, the Placee has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the research department of Canaccord Genuity (the views of such research department not representing and being independent from those of the Company and the corporate finance department of Canaccord Genuity and not being attributable to the same)), and neither Canaccord Genuity, nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it may not place the same degree of reliance on this Announcement as it may otherwise place on a prospectus or admission document; (c) it has conducted its own investigation of the Company, the Placing and the Placing Shares, satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing; and (d) it has not relied on any investigation that Canaccord Genuity or any person acting on its behalf may have conducted with respect to the Company, the Placing or the Placing Shares;

7. the content of this Announcement and the Publicly Available Information has been prepared by and is exclusively the responsibility of the Company and that neither Canaccord Genuity nor any persons acting on its behalf is responsible for or has or shall have any liability for any information, representation, warranty or statement relating to the Company contained in this Announcement or the Publicly Available Information nor will they be liable for any Placee's decision to participate in the Placing based on any information, representation, warranty or statement contained in this Announcement, the Publicly Available Information or otherwise. Nothing in this Appendix shall exclude any liability of any person for fraudulent misrepresentation;
8. it is not, and at the time the Placing Shares are acquired will not be, a resident of Australia, Canada, Japan, the Republic of South Africa or New Zealand;
9. the Placing Shares have not been registered or otherwise qualified, and will not be registered or otherwise qualified, for offer and sale nor will a prospectus be cleared or approved in respect of any of the Placing Shares under the securities laws of the United States, or any state or other jurisdiction of the United States, Australia, Canada, Japan, the Republic of South Africa or New Zealand and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within the United States, Australia, Canada, Japan, the Republic of South Africa or New Zealand or in any country or jurisdiction where any such action for that purpose is required;
10. it has the funds available to pay for the Placing Shares for which it has agreed to subscribe and acknowledges and agrees that it will pay the total subscription amount in accordance with the terms of this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other placees or sold at such price as Canaccord Genuity determines;
11. it and/or each person on whose behalf it is participating:
 - (a) is entitled to acquire Placing Shares pursuant to the Placing under the laws and regulations of all relevant jurisdictions;
 - (b) has fully observed such laws and regulations;
 - (c) has capacity and authority and is entitled to enter into and perform its obligations as an acquirer of Placing Shares and will honour such obligations; and
 - (d) has obtained all necessary consents and authorities (including, without limitation, in the case of a person acting on behalf of a Placee, all necessary consents and authorities

to agree to the terms set out or referred to in this Appendix) under those laws or otherwise and complied with all necessary formalities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto and, in particular, if it is a pension fund or investment company it is aware of and acknowledges it is required to comply with all applicable laws and regulations with respect to its subscription for Placing Shares;

12. it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of, or with an address in, or subject to the laws of, Australia, Canada, Japan, the Republic of South Africa or New Zealand, and it acknowledges and agrees that the Placing Shares have not been and will not be registered or otherwise qualified under the securities legislation of Australia, Canada, Japan, the Republic of South Africa or New Zealand and may not be offered, sold, or acquired, directly or indirectly, within those jurisdictions;
13. it and the beneficial owner of the Placing Shares is, and at the time the Placing Shares are acquired will be, outside the United States and acquiring the Placing Shares in an "offshore transaction" as defined in, and in accordance with, Regulation S under the Securities Act;
14. it understands that the Placing Shares have not been, and will not be, registered under the Securities Act and may not be offered, sold or resold in or into or from the United States except pursuant to an effective registration under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws; and no representation is being made as to the availability of any exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
15. it (and any account for which it is purchasing) is not acquiring the Placing Shares with a view to any offer, sale or distribution thereof within the meaning of the Securities Act;
16. it understands that: (a) the Placing Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act; (b) no representation is made as to the availability of the exemption provided by Rule 144 for resales of Placing Shares; and (c) it will not deposit the Placing Shares in a depositary receipt programme in the United States or for US persons (as defined in the Securities Act);
17. it will not offer, sell, transfer, pledge or otherwise dispose of any Placing Shares except:
 - (a) in an offshore transaction in accordance with Rules 903 or 904 of Regulation S under the Securities Act; or
 - (b) pursuant to another exemption from registration under the Securities Act, if available, and in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;
18. no representation has been made as to the availability of the exemption provided by Rule 144, Rule 144A or any other exemption under the Securities Act for the reoffer, resale, pledge or transfer of the Placing Shares;
19. it will not distribute, forward, transfer or otherwise transmit this Announcement or any part of it, or any other presentational or other materials concerning the Placing in or into or from the United States (including electronic copies thereof) to any person, and it has not distributed, forwarded, transferred or otherwise transmitted any such materials to any person;
20. none of Canaccord Genuity, its affiliates and any person acting on behalf of any of them is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be a client of Canaccord Genuity and that Canaccord Genuity has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing and Open Offer Agreement nor for the exercise or performance of any of its rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

21. it will make payment to Canaccord Genuity for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement on the due times and dates set out in this Announcement, failing which the relevant Placing Shares may be placed with others on such terms as Canaccord Genuity determines in its absolute discretion without liability to the Placee and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares;
22. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to subscribe for, and that the Company may call upon it to subscribe for a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;
23. no action has been or will be taken by any of the Company, Canaccord Genuity or any person acting on behalf of the Company or Canaccord Genuity that would, or is intended to, permit a public offer of the Placing Shares in the United States or in any country or jurisdiction where any such action for that purpose is required;
24. the person who it specifies for registration as holder of the Placing Shares will be: (a) the Placee; or (b) a nominee of the Placee, as the case may be. Neither Canaccord Genuity nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to acquire Placing Shares pursuant to the Placing and agrees to indemnify the Company and Canaccord Genuity in respect of the same on the basis that the Placing Shares will be allotted to a CREST stock account of Canaccord Genuity or transferred to a CREST stock account of Canaccord Genuity who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions with it;
25. the allocation, allotment, issue and delivery to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a stamp duty or stamp duty reserve tax liability under (or at a rate determined under) any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services) and that it is not participating in the Placing as nominee or agent for any person or persons to whom the allocation, allotment, issue or delivery of Placing Shares would give rise to such a liability;
26. it and any person acting on its behalf (if within the United Kingdom) falls within Article 19(5) and/or 49(2) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
27. it has not offered or sold and will not offer or sell any Placing Shares to persons in the United Kingdom or elsewhere in the EEA prior to the expiry of a period of six months from Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of section 85(1) of the FSMA or an offer to the public in any other member state of the EEA within the meaning of the Prospectus Directive;
28. if it is within the EEA, it is a Qualified Investor as defined in section 86(7) of the FSMA, being a person falling within Article 2.1(e) of the Prospectus Directive;
29. it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to Placing Shares in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person and it acknowledges and agrees that this Announcement has not been approved by Canaccord Genuity in its capacity as an authorised person under section 21 of the FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;
30. it has complied and it will comply with all applicable laws with respect to anything done by it or on its behalf in relation to the Placing Shares (including all relevant provisions of the FSMA in respect of anything done in, from or otherwise involving the United Kingdom);

31. represents and warrants that, if it is a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive (including any relevant implementing measure in any member state), the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the express prior written consent of Canaccord Genuity has been given to the offer or resale;
32. if it has received any confidential price sensitive information about the Company in advance of the Placing, it has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;
33. neither Canaccord Genuity, the Company nor any of their respective affiliates, agents, directors, officers or employees nor any person acting on behalf of Canaccord Genuity or its affiliates, agents, directors, officers or employees is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing nor providing advice in relation to the Placing nor in respect of any representations, warranties, acknowledgements, agreements, undertakings, or indemnities contained in the Placing and Open Offer Agreement nor the exercise or performance of any of Canaccord Genuity's rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
34. Canaccord Genuity and its affiliates, acting as an investor for its or their own account(s), may bid or subscribe for and/or purchase Placing Shares and, in that capacity, may retain, purchase, offer to sell or otherwise deal for its or their own account(s) in the Placing Shares, any other securities of the Company or other related investments in connection with the Placing or otherwise. Accordingly, references in this Announcement to the Placing Shares being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, Canaccord Genuity and/or any of its affiliates acting as an investor for its or their own account(s). Neither Canaccord Genuity nor the Company intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so;
35. it has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Anti-Terrorism, Crime and Security Act 2001, the Terrorism Act 2006 and the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (together, the "**Regulations**") and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
36. in order to ensure compliance with the Regulations, Canaccord Genuity (for itself and as agent on behalf of the Company) or the Company's registrars may, in their absolute discretion, require verification of its identity. Pending the provision to Canaccord Genuity or the Company's registrars, as applicable, of evidence of identity, definitive certificates in respect of the Placing Shares may be retained at Canaccord Genuity's absolute discretion or, where appropriate, delivery of the Placing Shares to it in uncertificated form may be delayed at Canaccord Genuity's or the Company's registrars', as the case may be, absolute discretion. If within a reasonable time after a request for verification of identity Canaccord Genuity (for itself and as agent on behalf of the Company) or the Company's registrars have not received evidence satisfactory to them, either Canaccord Genuity and/or the Company may, at its absolute discretion, terminate its commitment in respect of the Placing, in which event the monies payable on acceptance of allotment will, if already paid, be returned without interest to the account of the drawee's bank from which they were originally debited;
37. it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European

Union or a regulation adopted by the United Nations (together, the "**Anti-corruption Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Anti-corruption Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to Canaccord Genuity such evidence, if any, as to the identity or location or legal status of any person which Canaccord Genuity may request from it in connection with the Placing (for the purpose of complying with such regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by Canaccord Genuity on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as Canaccord Genuity may decide in its sole discretion;

38. acknowledges that its commitment to acquire Placing Shares on the terms set out in this Announcement will continue notwithstanding any amendment that may in future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or Canaccord Genuity's conduct of the Placing;
39. it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;
40. it irrevocably appoints any duly authorised officer of Canaccord Genuity as its agent for the purpose of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares for which it agrees to subscribe or purchase upon the terms of this Announcement;
41. the Company, Canaccord Genuity and others (including each of their respective affiliates, agents, directors, officers and employees) will rely upon the truth and accuracy of these representations, warranties, acknowledgements and agreements;
42. if it is acquiring the Placing Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make, and does make, the foregoing representations, warranties, acknowledgements, agreements and undertakings on behalf of each such accounts;
43. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by Canaccord Genuity;
44. agrees to indemnify on an after-tax basis and hold the Company, Canaccord Genuity and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
45. time is of the essence as regards its obligations under this Appendix;
46. any document that is to be sent to it in connection with the Placing will be sent at its risk and may be sent to it at any address provided by it to Canaccord Genuity;
47. the Placing Shares will be issued subject to the terms and conditions of this Appendix; and
48. the terms and conditions contained in this Appendix and all documents into which this Appendix is incorporated by reference or otherwise validly forms a part and/or any agreements entered into pursuant to these terms and conditions and all agreements to acquire shares pursuant to

the Bookbuilding Process and/or the Placing will be governed by and construed in accordance with English law and it submits to the exclusive jurisdiction of the English courts in relation to any claim, dispute or matter arising out of such contract except that enforcement proceedings in respect of the obligation to make payment for the Placing shares (together with interest chargeable thereon) may be taken by the Company or Canaccord Genuity in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange.

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) agrees to indemnify and hold the Company, Canaccord Genuity and each of their respective affiliates, agents, directors, officers and employees harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings given by the Placee (and any person acting on such Placee's behalf) in this Appendix or incurred by Canaccord Genuity, the Company or each of their respective affiliates, agents, directors, officers or employees arising from the performance of the Placee's obligations as set out in this Announcement, and further agrees that the provisions of this Appendix shall survive after the completion of the Placing.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax in the United Kingdom relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct by the Company. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depository receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement related to any other dealings in the Placing Shares, stamp duty or stamp duty reserve tax may be payable. In that event, the Placee agrees that it shall be responsible for such stamp duty or stamp duty reserve tax and neither the Company nor Canaccord Genuity shall be responsible for such stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and they should notify Canaccord Genuity accordingly. In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the United Kingdom by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares and each Placee, or the Placee's nominee, in respect of whom (or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such non-United Kingdom stamp, registration, documentary, transfer or similar taxes or duties undertakes to pay such taxes and duties, including any interest and penalties (if applicable), forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Canaccord Genuity in the event that either the Company and/or Canaccord Genuity have incurred any such liability to such taxes or duties.

The representations, warranties, acknowledgements and undertakings contained in this Appendix are given to Canaccord Genuity for itself and on behalf of the Company and are irrevocable and shall not be capable of termination in any circumstances.

Canaccord Genuity is authorised and regulated by the FCA in the United Kingdom and is acting exclusively for the Company and no one else in connection with the Bookbuilding Process and the Placing, and Canaccord Genuity will not be responsible to anyone (including any Placees) other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Bookbuilding Process or the Placing or any other matters referred to in this Announcement.

Each Placee and any person acting on behalf of the Placee acknowledges that Canaccord Genuity does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings, acknowledgements, agreements or indemnities in the Placing and Open Offer Agreement.

Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Canaccord Genuity may (at its absolute discretion) satisfy its obligations to procure Placees by itself agreeing to become a Placee in respect of some or all of the Placing Shares or by nominating any connected or associated person to do so.

When a Placee or any person acting on behalf of the Placee is dealing with Canaccord Genuity, any money held in an account with Canaccord Genuity on behalf of the Placee and/or any person acting on

behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA made under the FSMA. Each Placee acknowledges that the money will not be subject to the protections conferred by the client money rules: as a consequence this money will not be segregated from Canaccord Genuity's money in accordance with the client money rules and will be held by it under a banking relationship and not as trustee.

References to time in this Announcement are to London time, unless otherwise stated.

All times and dates in this Announcement may be subject to amendment. Placees will be notified of any changes.

No statement in this Announcement is intended to be a profit forecast or estimate, and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued or sold pursuant to the Placing will not be admitted to trading on any stock exchange other than the AIM market of the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

DEFINITIONS

In this Announcement, the following expressions have the following meanings, unless the context requires otherwise:

"Admission"	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange, as amended from time to time
"Application Form"	the application form to accompany the Circular and to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer;
"Basic Entitlement"	the Open Offer Shares for which a Qualifying Shareholder is entitled to subscribe under the Open Offer calculated on the basis of 1 Open Offer Share for every 12 Ordinary Shares held by that Qualifying Shareholder as at the Record Date;
"Board" or "Directors"	the board of directors of the Company or any duly authorised committee thereof
"Business Day"	any day (other than a Saturday or Sunday) upon which commercial banks are open for business in London, UK
"Canaccord Genuity"	Canaccord Genuity Limited;
"Company" or "Safestay"	Safestay plc, a company incorporated and registered in England and Wales with registered number 8866498
"Circular"	the circular to be published by the Company in connection with the Placing, Subscription and Open Offer shortly following the announcement of the results of the accelerated bookbuild process, the Subscription and the Placing
"Closing Price"	the closing middle market price of an Ordinary Share as derived from the AIM appendix to the Daily Official List of the London Stock Exchange
"CREST"	the computerised settlement system operated by Euroclear UK & Ireland Limited which facilitates the transfer of title to shares in uncertificated form (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No.3755)
"EBITDAR"	earnings before interest, taxes, depreciation, amortization, and restructuring or rent costs; a non-GAAP tool used to measure a company's financial performance

“Excess Applications”	applications pursuant to the Excess Application Facility;
“Excess Application Facility”	the mechanism whereby a Qualifying Shareholder, who has taken up his Basic Entitlement in full, can apply for Excess Shares up to an amount equal to the total number of Open Offer Shares available under the Open Offer less an amount equal to a Qualifying Shareholder’s Basic Entitlement, subject always to the 29.9 per cent. Aggregate Limit, as will more fully be set out in the Circular;
“Excess CREST Open Offer Entitlements”	in respect of each Qualifying CREST Shareholder who has taken up his Basic Entitlement in full, the entitlement to apply for Open Offer Shares in addition to his Basic Entitlement credited to his stock account in CREST, pursuant to the Excess Application Facility, which may be subject to scaling back in accordance with the provisions to be set out in the Circular;
“Excess Shares”	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlement and which are offered to Qualifying Shareholders under the Excess Application Facility;
“Excluded Overseas Shareholders”	other than as agreed by the Company and Canaccord Genuity or as permitted by applicable law, Shareholders who are located or have registered addresses in a Restricted Jurisdiction;
“Ex-Entitlement Date”	8.00 a.m. on 30 November 2018;
"FCA"	the Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries and subsidiary undertakings;
"General Meeting"	the general meeting of the Company to be convened for 10 a.m. on 17 December 2018 (or any adjournment thereof) at which the Resolutions will be proposed
"Issue Price"	34p per New Ordinary Share
"Issued Share Capital"	the issued ordinary share capital of the Company as at 28 November 2018, being the latest practicable date prior to this Announcement, being 34,219,134 Ordinary Shares
"Latest Practicable Date"	5.00pm on 28 November 2018, being the latest practicable date prior to the publication of this document;
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	the Placing Shares, the Subscription Shares and the Open Offer Shares;
"Notice of General Meeting"	the notice of the General Meeting to be set out in the Circular

"Open Offer"	the conditional invitation by the Company to Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Issue Price on the terms and subject to the conditions to be set out in the Circular and in the case of the Qualifying Non-CREST Shareholders only, the Application Form;
"Open Offer Entitlements"	an entitlement to subscribe for Open Offer Shares, allocated to a Qualifying Shareholder under the Open Offer (and, for the avoidance of doubt, references to Open Offer Entitlements include Basic Entitlements and Excess CREST Open Offer Entitlements);
"Open Offer Shares"	the 2,851,595 new Ordinary Shares to be offered to Qualifying Shareholders under the Open Offer;
"Ordinary Shares"	ordinary shares of 1 penny each in the capital of the Company
"Placing"	the conditional placing of the Placing Shares, by Canaccord Genuity as agent for and on behalf of the Company, at the Issue Price pursuant to the terms of the Placing and Open Offer Agreement
"Placing and Open Offer Agreement"	the conditional agreement dated 29 November 2018 between the Company and Canaccord Genuity relating to the Placing
"Placing Shares"	approximately 27.6 million New Ordinary Shares proposed to be issued pursuant to the Placing
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form;
"Qualifying Shareholders"	holders of Ordinary Shares on the register of members of the Company at the Record Date with the exception (subject to certain exceptions) of Excluded Overseas Shareholders;
"Regulatory Information Service" or "RIS"	a regulatory information service that is approved by the FCA and that is on the list of regulatory information providers as maintained by the FCA
"Resolutions"	the resolutions to be proposed at the General Meeting and to be set out in the Notice of General Meeting
"Restricted Jurisdictions"	each of Australia, Canada, Japan, New Zealand, the Republic of South Africa and the United States;

"Record Date"	5.00 p.m. on 28 November 2018
"Safeland Holdings Corporation"	Safeland Holdings (2008) Corporation, a corporation incorporated in Panama, of which Larry Lipman owns one third
"Shareholder"	a holder of Ordinary Shares
"Subscribers"	those persons who intend to subscribe for Subscription Shares pursuant to the Subscription, being Larry Lipman, Safeland plc, Safeland Holdings Corporation, Nuno Sacramento, Herve Deligny and Stephen Moss
"Subscription"	the conditional subscription of the Subscription Shares by the Subscribers
"Subscription Shares"	approximately 1.8 million New Ordinary Shares proposed to be issued to Subscribers pursuant to the Subscription
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"29.9 per cent. Aggregate Limit"	the restriction on the number of Open Offer Shares that each Qualifying Shareholder may receive under the Open Offer on the basis that no Qualifying Shareholder shall be entitled to receive in excess of such number of Open Offer Shares as would bring its aggregate interest in the Company to more than 29.9 per cent. of the Company's issued share capital if such number of Open Offer Shares are issued to such Qualifying Shareholder.