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THIS ANNOUNCEMENT SHOULD BE READ IN ITS ENTIRETY. IN PARTICULAR, YOU SHOULD READ AND UNDERSTAND THE INFORMATION PROVIDED IN THE APPENDICES INCLUDING APPENDIX III WHICH CONTAINS THE TERMS AND CONDITIONS OF THE PLACING. THE DEFINITIONS USED IN THIS ANNOUNCEMENT ARE SET OUT IN APPENDIX II OF THIS ANNOUNCEMENT.

12 July 2022

Solid State plc

Proposed Acquisition Proposed Placing to raise approximately £25 million Open Offer to raise up to approximately £2 million

Solid State plc (AIM:SOLI), the specialist value added component supplier and design-in manufacturer of computing, power and communications products, announces that it has entered into a conditional agreement to acquire Custom Power LLC. Custom Power is a battery systems manufacturer and energy solutions provider based near Los Angeles in the United States of America.

Pursuant to the terms of the Acquisition, the Company has agreed to acquire the entire equity interest in Custom Power for a maximum consideration of \$45.0 million (c.£36.0 million) on a debt free, cash free and normalised working capital basis. Initial cash consideration of \$30.0 million (c.£24.0 million) less a non-refundable deposit of \$1 million (c.£0.8 million) which has already been paid, is payable in cash on Completion. Deferred consideration of \$10.0 million (c.£8.0 million) is payable in two equal tranches at six and 12 months post Completion. Further earn-out consideration of up to \$5 million (c.£4 million) subject to a revenue performance target, is payable in cash. Further details of the terms of the Acquisition are set out in the paragraph headed “*Terms of the Acquisition*” in the Additional Information section of this Announcement.

In addition to part finance the Acquisition, the Company announces a proposed equity fundraise of approximately £27.15 million, before expenses, comprising a Placing to raise approximately £25 million, an Open Offer to raise up to approximately £2 million and a Directors’ Subscription to raise approximately £0.15 million (to be undertaken, when permitted, in compliance with MAR). Pursuant to the Fundraising, the Company will issue up to 2,647,669 new ordinary shares of 5 pence each comprising an estimated 2,439,025 Placing Shares, up to 194,498 Open Offer Shares and up to 14,146 Directors’ Subscription Shares in each case at a price of 1,025 pence per New Ordinary Share. The Acquisition is conditional, *inter alia*, on the Placing being completed.

The Company’s existing share authorities which permit it to allot shares on a non-pre-emptive basis are insufficient to extend to the New Ordinary Shares. As a result, the conditions to the Placing, Open Offer and Directors Subscription include the approval by the Company’s Shareholders at the General Meeting

of the Resolution, granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis.

The Issue Price represents a discount of approximately 10.5 per cent. to the closing mid-market price of 1,145 pence per Existing Ordinary Share on 11 July 2022, being the latest practicable date prior to the publication of this Announcement. The Issue Price has been set by the Directors after consultation with the Joint Bookrunners, following their assessment of market conditions and discussions with a number of institutional investors.

WH Ireland Limited and finnCap Limited are acting as Joint Bookrunners in connection with the Placing. The Placing is to be conducted by way of an accelerated bookbuild process which will commence immediately following this Announcement and will be subject to the terms and conditions set out in Appendix III to this Announcement and will close on 13 July 2022.

About Custom Power

Acquisition highlights

- For its financial year ended 31 December 2021, Custom Power generated revenues of approximately \$29.8 million (c.£23.8 million) and an underlying EBITDA of \$3.5million (£2.8 million). The Directors consider that the underlying profits, adjusted for US GAAP and non-recurring items would have been pre-tax of \$3.1 million (c.£2.5 million) and on a post-tax basis \$2.5 million (c.£2.0 million). Custom Power reported an EBITDA margin of 11.7 per cent. and profit after tax margin of 6.3 per cent, (pro forma 8.5 per cent.). As at 31 December 2021, Custom Power had net assets of \$8.9million (c.£7.1 million). The Directors consider the underlying net assets being acquired amount to \$6.8 million (c.£5.5 million) having been adjusted for intangibles and net debt.
- The Directors believe the Acquisition will be earnings enhancing in its first full year, being the Company's year ending 31 March 2024.
- The Directors consider that Custom Power has made a satisfactory start to its financial year and its orderbook as at 31 May 2022 stood at \$18.7 million (c.£15.0 million).
- The Directors consider that the Acquisition will add scale to the Group's power capabilities particularly in the defence, medical and industrial markets which have high barriers to entry.
- The Directors believe that the Acquisition will bring benefits that are highly complementary to the Group and in-line with the key tenets of the Group's strategy being to:
 - **internationalise the Group:** the Acquisition provides Solid State with additional US manufacturing capability and a contract manufacturing relationship in Mexico and sales channels for own brand power products and systems to service new international Tier 1 customers;
 - **develop the Group's "own brand" product portfolio:** the Acquisition provides Solid State with a portfolio of "own-brand" semi-standard battery products adopted in the security and defence, medical and industrial markets;
 - **broaden complementary product/ technology portfolio:** Custom Power has significant engineering expertise and strong tooling and test capabilities. The Acquisition broadens the Group's product portfolio with a tailorable suite of technologies and provides Solid State the opportunity to cross sell its enhanced offering to its enlarged customer base; and
 - **invest in and develop its talent:** the Acquisition will strengthen engineering team adding electronic engineering and battery management systems software capabilities and experience to the Group.

The Fundraising

Fundraising highlights

- Fundraising by way of the Placing, Open Offer and Directors Subscription to raise in aggregate approximately £27.15 million (before expenses, assuming full subscription under the Open Offer and the issue of the maximum number of Directors' Subscription Shares).
- The Placing with institutional investors to raise in aggregate approximately £25 million (before expenses) through the issue of an aggregate of up to 2,439,025 Placing Shares at the Issue Price.
- The Open Offer to Shareholders is intended to raise up to approximately £2 million (assuming full subscription under the Open Offer and before expenses) through the issue of an aggregate of up to 194,498 Open Offer Shares at the Issue Price.
- The Directors intend to subscribe for up to 14,146 Directors' Subscription Shares as soon as they are able to do so, following the release of the Company's results for year ended 31 March 2022 (when they are not in a MAR Closed period).
- The Issue Price represents a discount of approximately 10.5 per cent. to the closing mid-market price of 1,145 pence per Existing Ordinary Share on 11 July 2022, being the latest practicable date prior to the publication of this Announcement.
- The net proceeds of the Placing together with a new £13 million term loan with Lloyds Bank will be used to fund, *inter alia*, the Initial Consideration.
- The net proceeds of the Open Offer and the Directors' Subscription will be used to supplement the Company's existing cash resources.
- The New Ordinary Shares, assuming full take-up under the Placing, the Open Offer and the Directors' Subscription, will represent approximately 23.6 per cent. of the Enlarged Issued Share Capital.

The Fundraising comprises the Placing, Open Offer and the Directors' Subscription. The Placing, Open Offer and Directors' Subscription are each conditional on, among other matters, the passing of the Resolution to be proposed at the General Meeting, granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis, and on Admission.

The timing of the closing of the Bookbuild and the allocation of Placing Shares to be issued at the Issue Price are to be determined at the discretion of the Joint Bookrunners.

A further announcement will be made following the close of the Bookbuild, confirming final details of the Placing.

The Fundraising is not being underwritten.

The expected timetable of principal events is set out in Appendix I of this Announcement.

A circular containing details of the Acquisition, the Fundraising and a notice of General Meeting, together with a proxy form and (for Qualifying Non-CREST Shareholders) an Open Offer Application Form will be despatched to Shareholders following the announcement of the result of the Placing and will be available after that time on the Company's website at www.solidstateplc.com.

The expected timetable of principal events is set out in Appendix I to this Announcement. The Placing is subject to the terms and conditions set out in Appendix III to this Announcement. Capitalised terms have the meaning set out in Appendix II to this Announcement.

The basis of translation of dollars into pounds sterling for the purposes of inclusion in this Announcement is \$1.25/£1.00.

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Analyst Research Reports: For further analyst information and research see the Solid State plc website: <https://solidstateplc.com/research/>

Notes to Editors:

Solid State plc (SOLI) is a value added electronics group supplying commercial, industrial and military markets with durable components, assemblies and manufactured units for use in specialist and harsh environments. The Group's mantra is - 'Trusted technology for demanding applications'. To see an introductory video on the Group - <https://bit.ly/3kzddx7>

Operating through two main divisions: Systems (Steatite & Active Silicon) and Components (Solid State Supplies, Pacer, Willow Technologies & AEC); the Group specialises in complex engineering challenges often requiring design-in support and component sourcing for computing, power, communications, electronic, electro-mechanical and opto-electronic products.

Headquartered in Redditch, UK, Solid State employs approximately 300 staff across UK and US, serving specialist markets in industrial, defence and security, transportation, medical and energy.

Solid State was established in 1971 and admitted to AIM in June 1996. The Group has grown organically and by acquisition - having made 12 acquisitions since 2002.

Additional Information

Background and reasons for, the Acquisition and Fundraising

Solid State has a clear and established strategy to grow organically and through expanding its range of specialist applications and international reach through the acquisition of high-quality businesses across both its Components and Systems Divisions. The Board believes that the acquisition of Custom Power, a profitable and cash generative business, represents a further step in building the Systems Division and in particular its power capabilities, and has a clear fit with the Group's strategy.

The Board believes that the Acquisition will bring benefits that are highly complementary to the Group and in-line with the key tenets of the Group's strategy being to:

- **internationalise the Group:** the Acquisition provides Solid State with additional US manufacturing capability and a contract manufacturing relationship in Mexico and sales channels for own brand power products and systems to service new international Tier 1 customers;
- **develop the Group's "own brand" product portfolio:** the Acquisition provides Solid State with a portfolio of "own-brand" semi-standard battery products adopted in the security and defence, medical and industrial markets;
- **broaden complementary product/ technology portfolio:** Custom Power has significant engineering expertise and strong tooling and test capabilities. The Acquisition broadens the

Group's product portfolio with a tailorable suite of technologies and provides Solid State with the opportunity to cross sell its enhanced offering to its enlarged customer base; and

- **invest in and develop its talent:** the Acquisition will strengthen the engineering team adding electronic engineering and battery management systems software capabilities and experience to the Group.

Custom Power's markets are technology led and priorities for government backed funding and its products and solutions are niche engineered high reliability/performance applications where size weight and power matter. The Directors believe Custom Power will provide a step change in the scale and reach of the Group's power capabilities particularly in the defence, medical and industrial markets which have high barriers to entry.

Both Solid State and Custom Power focus on battery pack manufacturing which comprises the battery management systems, module design and pack materials and pack assembly. This is the final stage of the battery pack supply chain and UK Research and Innovation: Faraday Battery Challenge estimate it represents approximately 26 per cent. of its value. Following the Acquisition, the Group will have a substantial power business unit which the Directors believe will account for circa 30 per cent. of the Enlarged Group's revenue.

The Directors believe Custom Power is a highly complementary business and will be a good cultural fit with the existing Group. It has an experienced leadership team with strong engineering expertise, consistent business values and principles, an aligned commercial approach and comparable operational procedures. The Directors believe that these factors will help reduce integration risk.

In order to obtain the Earn-out Consideration Custom Power will need to generate revenue of \$37.5 million (c.£30.0 million) on a last 12 month basis within 18 months of Completion. The last 12 month revenue hurdle will be assessed at six monthly intervals with the final assessment taking place 18 months post Completion. The Directors expect this revenue hurdle to be achieved and that the Earn-out Consideration will be paid. On the basis that this \$37.5 million (c.£30.0 million) of revenue is achieved and if the 2021 pro forma net margin is maintained, the profit after tax of Custom Power would be approximately \$3.2 million (c.£2.6 million) for the 12 months prior to the achievement of the Earn-out Consideration.

The Board believes the Acquisition will be earnings enhancing in its first full year, being the Company's year ending 31 March 2024.

The Board has concluded that it is appropriate to fund the Initial Consideration of the Acquisition through a combination of new debt and equity. In addition, they consider that issuing the New Ordinary Shares at a discount is fair and reasonable so far as Shareholders are concerned.

The net proceeds of the Placing are expected to be approximately £23.8 million. These net proceeds together with new term loan facilities totalling £13 million, will be used to fund, *inter alia*, the Initial Consideration. The net proceeds of the Open Offer (assuming full subscription under the Open Offer) will be approximately £2 million. The net proceeds of the Directors' Subscription (assuming the issue of the maximum number of Directors' Subscription Shares) will be approximately £0.15 million. The net proceeds of the Open Offer and the Directors' Subscription will be used to supplement the Company's existing cash resources.

Information on Custom Power

Custom Power is a manufacturer of highly customised as well as off-the-shelf energy solutions for portable and stationary products used in medical, defence, aerospace and industrial markets. It has a single facility of 36,000 sq. ft. which is not fully utilised and has capacity for growth, near Los Angeles in California, USA. It has approximately 100 employees (made up of 80 full time employees and 20 temporary staff members) and an experienced, stable senior management team. Custom Power is controlled by HOB Power Holdings LLC, a company established by private equity group Elan Growth Partners LLC.

Custom Power was established over 30 years ago and is an experienced battery assembly/battery pack manufacturer and distributor in the United States with an established sales and distribution network. Custom Power provides battery pack assemblies in various chemistries and it has commercialised products and solutions with high reliability and performance in applications where size, weight and power matter such as in medical devices and military equipment emergency lighting systems as well as in industrial applications.

For its financial year ended 31 December 2021, Custom Power generated revenues of approximately \$29.8 million (c.£23.8 million) and an underlying EBITDA of \$3.5 million (c.£2.8 million). The Directors consider that the underlying profits, adjusted for US GAAP and non-recurring items for FY21 would have been a pre-tax of \$3.1million (c.£2.5 million) and on a post-tax basis \$2.5 million (c.£2.0 million). In FY21 Custom Power reported an EBITDA margin of 11.7 per cent. and profit after tax margin of 6.3 per cent (pro forma 8.5 per cent.). As at 31 December 2021 Custom Power had net assets of \$8.9million (c.£7.1 million). The Directors consider the underlying net assets being acquired amount to \$6.8 million (c.£5.4million) having been adjusted for intangibles and net debt.

The Directors consider that Custom Power has made a satisfactory start to its financial year and its orderbook as at 31 May 2022 stood at \$18.7 million (c.£15.0 million).

Terms of the Acquisition

Custom Power will be acquired on a cash free debt free basis with normalised working capital where the Purchaser will acquire all of the equity interests of Custom Power for a maximum consideration of \$45.0 million (c.£36.0 million) payable in cash. The Consideration comprises an initial consideration of \$30.0 million (c.£24.0 million), subject to a closing working capital adjustment, a deferred consideration of \$10.0 million (c.£8.0 million) payable in two equal tranches at six and 12 months and an earn-out consideration of up to \$5 million (c.£4.0 million).

The Initial Consideration, less a non-refundable deposit of \$1.0 million (c.£ 0.8 million) that has already been paid, is payable in cash on Completion. This \$1.0 million (c.£0.8 million) deposit will be held in escrow pending the agreement of a working capital adjustment. This adjustment will either lead to:

- (i) an increase in the Consideration by the amount, if any, by which the Closing Working Capital is greater than the Target Closing Working Capital, or
- (ii) a decrease in the Consideration by the amount, if any, by which the Closing Working Capital is less than the Target Closing Working Capital;

where Target Closing Working Capital is based on normalised working capital to operate the business under normal operating conditions and Closing Working Capital is the actual working capital of Custard Power as at Completion.

The Deferred Consideration is payable in cash in two tranches of \$5.0 million (c.£4.0 million). The first tranche is payable six months after Completion and the second tranche 12 months after Completion.

The Earn-out Consideration is payable in cash to the extent Custom Power meets or exceeds the revenue target of \$37.5 million (c.£30.0million) on a last 12 month basis with three assessments being made in respect of the 12 month periods ending six, 12 and 18 months after Completion.

During the earn-out period, Solid State has agreed to operate the business of Custom Power on a reasonable basis taking into consideration Custom Power's past practices and has agreed not to take any actions that would prejudice the attainment of the revenue target, the achievement of which triggers the payment of the Earn-out Consideration.

Trading update

The Company expects to release its results for the year ended 31 March 2022 on or around 26 July 2022. The results are expected to be consistent with those indicated in the Company's trading update of 21 April 2022, being revenue of £85 million (2021: £66.3 million) and adjusted profit before tax of no

less than £7.2 million (2021: £5.4 million). Due to the impact of non-recurring acquisition costs and charges, reported profit after tax is expected to be approximately £3.9 million.

The Group has had a strong start to the first quarter of the year ending 31 March 2023 with revenues and margins running ahead of the equivalent period last year. Unaudited net debt at the end of May 2022 was £3.4 million.

The open orderbook has continued to build and at the end of May 2022 stood at £89.7 million which, combined with the strong start to the year, gives the Directors confidence in the Company's performance in the current financial year.

Banking facilities

The Company has conditionally entered into new term loan facilities totalling £13 million with Lloyds Bank to part finance the Initial Consideration. This comprises £6.5 million repayable over five years and a £6.5 million of interest only loan committed for three years. In addition, Lloyds Bank has also committed to provide two \$5.0 million (c.£4.0 million) standby letters of credit providing security over the Deferred Consideration. These new facilities will sit alongside the Group's existing bank facilities, including but not limited to a £7.5 million revolving credit facility committed until November 2023 and a £3.0 million multi-currency overdraft.

The Company's banking facilities are subject to standard financial covenants, which have all been reset to be consistent across all the facilities.

Details of the Fundraising

The Company is raising approximately £25 million (before expenses) pursuant to the Placing, up to approximately £2 million (before expenses) pursuant to the Open Offer and up to £0.15 million (before expenses) pursuant to the Directors' Subscription. The Issue Price of 1,025 pence per New Ordinary Share represents a discount of 10.5 per cent. to the closing mid-market price of 1,145 pence on 11 July 2022, being the latest practicable date prior to publication of this Announcement.

The Fundraising comprises the Placing, the Open Offer and the Directors' Subscription. The Placing, the Open Offer and the Directors' Subscription are each conditional, among other matters, on the passing of the Resolution to be proposed at the General Meeting granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis, and on Admission.

The Directors are currently prohibited under MAR from participating in the Placing, as they are in a closed period due to the forthcoming release of the Company's results for year ended 31 March 2022 which are expected to be released on or around 26 July 2022 and in any event before Admission. All of the Directors have indicated their intention to subscribe for New Ordinary Shares at the Issue Price, when they are able to do so. Their aggregate subscription is expected to amount to £0.15 million, being 14,146 Directors' Subscription Shares.

Pursuant to the Placing and Open Offer Agreement, the Joint Bookrunners, as agents for the Company, have conditionally agreed severally to use reasonable endeavours to procure subscribers at the Issue Price for the Placing Shares. The Joint Bookrunners intend to conditionally place the Placing Shares with certain institutional and other investors.

The Placing and Open Offer Agreement contains customary warranties from the Company in favour of the Joint Bookrunners in relation to, *inter alia*, the accuracy of the information in this Announcement and other matters relating to the Company and its business. In addition, the Company has agreed to indemnify the Joint Bookrunners in relation to certain liabilities that they may incur in respect of the Placing and Open Offer.

The Joint Bookrunners (acting in good faith) have the right to terminate the Placing and Open Offer Agreement in certain circumstances prior to Admission in respect of the New Ordinary Shares, including (but not limited to): in the event that there has, in the opinion of a Joint Bookrunner (acting in good faith) been a breach, or an alleged breach, of any of the warranties in the Placing and Open Offer Agreement or there has been in the opinion of a Joint Bookrunner (acting in good faith) a significant change affecting the condition (financial, operational, legal or otherwise), earnings, management, funding position, solvency, business affairs or operations of the Group, whether or not foreseeable as at the date of the

Placing and Open Offer Agreement and whether or not arising in the ordinary course of business. The Joint Bookrunners may also terminate the Placing and Open Offer Agreement if there has been a significant change in certain international financial markets, a suspension or material limitation in trading on certain stock exchanges or a material disruption in commercial banking or securities settlement or clearance which a Joint Bookrunner considers (acting in good faith) makes it impractical or inadvisable to proceed with the Placing or Admission.

The Fundraising is not being underwritten.

Details of the Open Offer

The Company considers it important that Qualifying Shareholders have an opportunity (where it is practicable for them to do so) to participate at the same price per Ordinary Share as investors in the Placing and, accordingly, the Company is making the Open Offer to Qualifying Shareholders.

The Company is proposing, subject to the successful closing of the Bookbuild, to raise up to approximately £2 million in the Open Offer (before expenses) (assuming full take up of the Open Offer) through the issue of up to 194,498 Open Offer Shares at the Issue Price.

Subject to the terms and conditions to be set out in a circular to shareholders (and, in the case of Qualifying Non-CREST Shareholders, in the Application Form), Qualifying Shareholders (including Qualifying Shareholders who are also participants in the Placing) are being given the opportunity under the Open Offer to apply for Open Offer Shares at the Issue Price of 1,025 pence per Open Offer Share, pro rata to their holdings of Existing Ordinary Shares as at the Record Date, payable in full on application. Any Open Offer Shares not applied for by Qualifying Shareholders will be available to other Qualifying Shareholders, provided they have taken up their Open Offer Entitlement in full, under the Excess Application Facility.

Qualifying Shareholders may apply for their Open Offer Entitlement under the Open Offer pro rata to their holdings of Existing Ordinary Shares as at the Record Date at the Issue Price on the following basis:

1 Open Offer Share for every 44 Existing Ordinary Shares held

Entitlements of Qualifying Shareholders will be rounded down to the nearest whole number of Open Offer Shares, with fractional entitlements being aggregated and made available under the Excess Application Facility. The Excess Application Facility will enable Qualifying Shareholders to apply for further Open Offer Shares in excess of their Open Offer Entitlements as described below. Not all Shareholders will be Qualifying Shareholders; Shareholders who are located in, or are citizens of, or have a registered office in, Restricted Jurisdictions will not qualify to participate in the Open Offer.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend, in part, on the extent to which other Qualifying Shareholders apply for less than or more than their own Open Offer Entitlements. Applications made under the Excess Application Facility may be allocated in such manner as the Directors may determine in their absolute discretion if applications are received from Qualifying Shareholders for more than the available number of Open Offer Shares, and no assurance can be given that excess applications by Qualifying Shareholders will be met in full, or in part, or at all.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Application Forms are not negotiable documents and cannot be traded. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer. Any Open Offer Shares which are not applied for by Qualifying Shareholders under the Open Offer will not be issued by the Company as the Open Offer is not underwritten.

The Open Offer is conditional upon the Placing becoming or being declared unconditional in all respects and not being terminated before Admission. The principal conditions to the Placing include (amongst other things) the Placing and Open Offer Agreement not having been terminated, the passing of the

Resolution to be proposed at the General Meeting, granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis, the MIPA having been entered into and becoming unconditional in all respects prior to Admission, save for Admission, and Admission occurring on or before 8.00 a.m. on 2 August 2022 (or such later date and/or time as the Joint Bookrunners and the Company may agree, being no later than 8.00 a.m. on 16 August 2022).

Accordingly, if the conditions to the Placing are not satisfied or waived (where capable of waiver), the Open Offer will not proceed and the Open Offer Shares will not be issued and all monies received by the Receiving Agent will be returned to the applicants (at the applicant's risk and without interest) as soon as possible, but within 14 days thereafter. Any Open Offer Entitlements admitted to CREST will thereafter be disabled.

IMPORTANT NOTICES

This Announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "forecasts", "plans", "prepares", "anticipates", "projects", "expects", "intends", "may", "will", "seeks", "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Announcement and include statements regarding the Company's and the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's prospects, growth and strategy. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this Announcement. In addition, even if the Company's results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements that the Company makes in this Announcement speak only as of the date of such statement and (other than in accordance with their legal or regulatory obligations) neither the Company, nor the Joint Bookrunners nor any of their respective associates, directors, officers or advisers shall be obliged to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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The New Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States absent registration under the Securities Act, 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 have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares. Subject to certain exceptions, the securities referred to herein may not be offered or sold in the United States, Australia, Canada, Japan, the Republic of South Africa or to, or for the account or benefit of, any national, resident or citizen of the United States, Australia, Canada, Japan, the Republic of South Africa.

No public offering of securities is being made 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, and nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Canada, Australia, Japan or the Republic of South Africa. 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 Canada, Australia, Japan or the Republic of South Africa or any other jurisdiction outside the United Kingdom or to, or for the account or benefit of any national, resident or citizen of Australia, Japan or the Republic of South Africa or to any investor located or resident in Canada.

No public offering of the New Ordinary Shares is being made in the United States, United Kingdom or elsewhere. All offers of the New Ordinary Shares will be made pursuant to an exemption under the UK version of Regulation (EU) no 2017/1129 of the European Parliament and of the Council of 14 June 2017, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time, and includes any relevant implementing measure in any member state (the “**UK Prospectus Regulation**”) from the requirement to produce a prospectus. This Announcement is being distributed to persons in the United Kingdom only in circumstances in which section 21(1) of the Financial Services and Markets Act 2000, as amended does not apply.

No prospectus will be made available in connection with the matters contained in this Announcement and no such prospectus is required (in accordance with the UK Prospectus Regulation) to be published. This Announcement and the terms and conditions set out herein are for information purposes only and are directed only at persons who are: (a) persons in member states (“**Member States**”) of the European Economic Area (“**EEA**”) who are qualified investors as defined in section 86(7) of FSMA, as amended (“**Qualified Investors**”), being persons falling within the meaning of article 2(e) of Prospectus Regulation (EU) 2017/1129; and (b) in the United Kingdom, Qualified Investors who are persons who (i) have professional experience in matters relating to investments falling within the definition of “investment professionals” in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); (ii) are persons falling within article 49(2)(a) to (d)

(“high net worth companies, unincorporated associations, etc”) of the Order; or (iii) are persons to whom it may otherwise be lawfully communicated; (all such persons together being referred to as “**relevant persons**”).

This Announcement and the terms and conditions set out herein 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 and the terms and conditions set out herein relates is available only to relevant persons and will be engaged in only with relevant persons.

The information in this Announcement, which includes certain information drawn from public sources, does not purport to be comprehensive and has not been independently verified. This announcement contains statements that are, or may be deemed forward-looking statements, which relate, inter alia, to the Company’s proposed strategy, plans and objectives. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company (including but not limited to future market conditions, legislative and regulatory changes, the actions of governmental regulators and changes in the political, social or economic framework in which the Company operates) that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements.

The content of this Announcement has not been approved by an authorised person within the meaning of the FSMA. Reliance on this announcement for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. 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.

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 the Joint Bookrunners 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 therefore 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 New Ordinary Shares to be issued pursuant to the Fundraising will not be admitted to trading on any stock exchange other than AIM.

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.

APPENDIX I

Expected Timetable for the Fundraising

	2022
Record Date for the Open Offer	6.00 p.m. on 12 July
Announcement of the results of the Placing	13 July
Existing Ordinary Shares marked 'ex-entitlement' by the London Stock Exchange	8:00 a.m. on 13 July
Date of Circular and posting of Circular, Application Forms and Forms of Proxy	13 July
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Qualifying CREST Shareholders or as soon possible thereafter	8.00 a.m. on 14 July
Recommended latest time and date for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 22 July
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 25 July
Latest time and date for splitting Application Forms (<i>to satisfy bona fide market claims in relation to Open Offer Entitlements only</i>)	3.00 p.m. on 26 July
Latest time and date for receipt of completed Forms of Proxy or electronic proxy appointments for use at the General Meeting	11:00 a.m. on 27 July
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of the relevant CREST instructions (as appropriate)	11:00 a.m. on 28 July
General Meeting	11:00 a.m. on 29 July
Expected date of announcement of the results of the General Meeting and Open Offer	29 July
Admission effective and dealings in the New Ordinary Shares on AIM	8:00 a.m. on 2 August
New Ordinary Shares credited to CREST stock accounts	8:00 a.m. on 2 August
Despatch of definitive share certificates in respect of New Ordinary Shares to be issued in certificated form	by 12 August
Long Stop Date	8:00 a.m. on 16 August

Notes:

- (i) *References to times in this Announcement are to London time (unless otherwise stated).*
- (ii) *If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.*
- (iii) *The timing of the events in the above timetable is indicative only. In order to subscribe for Open Offer Shares under the Open Offer, Qualifying Shareholders will need to follow the procedure set out in the Circular.*

APPENDIX II

Definitions

The following definitions apply throughout this Announcement unless the context requires otherwise or unless it is otherwise specifically provided:

“Acquisition”	the proposed acquisition of the entire equity interest in Custom Power
“Admission”	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Announcement”	this announcement
“Application Form”	the personalised application form accompanying the Circular (where appropriate) pursuant to which Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders) may apply to subscribe for Open Offer Shares under the Open Offer
“Articles”	the articles of association of the Company (as amended from time to time)
“Bookbuild”	the accelerated bookbuilding to be conducted by the Joint Bookrunners pursuant to the Placing and Open Offer Agreement and this Announcement
“Business Day”	any day on which banks are usually open for business in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
“certificated” or “in certificated form”	an Existing Ordinary Share or an Ordinary Share recorded on the Company’s share register as being held in certificated form (namely, not in CREST)
“Circular”	the explanatory circular, in the agreed form, to be issued by the Company to Shareholders explaining, inter alia, the Acquisition, Fundraising and incorporating the notice of General Meeting
“Closing Working Capital”	the actual working capital of Custom Power as at Completion
“Company” ,“Solid State” or “Purchaser”	Solid State plc, a company incorporated in England and Wales under the Companies Act 1985 with registered number 00771335
“Completion”	completion of the Acquisition
“Consideration”	the aggregate consideration payable pursuant to the MIPA, comprising the Initial Consideration, the Deferred Consideration and the Earn-out Consideration
“CREST” or “CREST system”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)

"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI2001/3755)
"Custom Power"	Custom Power LLC, a company incorporated in Delaware, United States
"Deferred Consideration"	the deferred consideration of \$10.0 million (c.£8.0 million) payable pursuant to the MIPA in two equal tranches six and 12 months following Completion
"Directors" or "Board"	the directors of the Company or any duly authorised committee thereof
"Directors' Subscription"	the intention of the Directors to subscribe for the Directors' Subscription Shares at the Issue Price
"Directors' Subscription Shares"	up to 14,146 new Ordinary Shares for which the Directors have indicated they intend to subscribe for when they are permitted to do so
"Earn-out Consideration"	the earn-out consideration of up to \$5.0 million (c.£4.0 million) payable pursuant to the MIPA
"Enlarged Group"	the Group as enlarged by the Acquisition following Completion
"Enlarged Issued Share Capital"	the issued ordinary share capital of the Company immediately following Admission (assuming full subscription under the Open Offer, the issue of the maximum number of Directors' Subscription Shares and excluding shares held in treasury)
"EU"	the European Union
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"Excess Application Facility"	the facility for Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlements subject to the terms and conditions of the Open Offer
"Excess CREST Open Offer Entitlement"	in respect of each Qualifying Shareholder, the entitlement (in addition to his, her or its Open Offer Entitlement) to apply for Open Offer Shares pursuant to the Excess Application Facility, which is conditional on him, her or it taking up his, her or its Open Offer Entitlement in full and which may be scaled back in accordance with the provisions of the Circular
"Excess Shares"	Open Offer Shares applied for by Qualifying Shareholders under the Excess Application Facility
"Existing Ordinary Shares"	the 8,557,932 Ordinary Shares (excluding 6,946 Ordinary Shares held in treasury) in issue as at the date of this this Announcement
"FCA"	the Financial Conduct Authority
"finnCap"	finnCap Limited, joint bookrunner to the Company in respect of the Placing
"FSMA"	the Financial Services and Markets Act 2000
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the General Meeting and which will accompany the Circular
"Fundraise" or "Fundraising"	the proposed Placing, Open Offer and Directors' Subscription

“General Meeting”	the general meeting of the Company convened for 11 a.m. on 29 July 2022 (or any adjournment thereof) notice of which will be set out at the end of the Circular
“Group”	Solid State plc and its subsidiary undertakings
“Initial Consideration”	the initial cash consideration of \$30.0 million (c.£24.0 million) payable pursuant to the MIPA
“ISIN”	International Securities Identification Number
“Issue Price”	1,025 pence per New Ordinary Share
“Joint Bookrunners”	WH Ireland and finnCap
“Lloyds Bank”	Lloyds Bank plc
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	16 August 2022
“MAR” or “Market Abuse Regulation”	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and the European Securities and Markets Authority) as it applies in the UK by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time
“MIPA”	the membership interest agreement governing the terms of the Acquisition to be entered into between Solid State and the Seller
“Money Laundering Regulations”	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended), the money laundering provisions of the Criminal Justice Act 1993, the Proceeds of Crime Act 2002 and the Criminal Finances Act 2017
“New Ordinary Shares”	the Placing Shares, the Open Offer Shares and the Directors’ Subscription Shares
“Open Offer”	the conditional invitation to be made by the Company to Qualifying Shareholders to subscribe for the 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 Qualifying Non-CREST Shareholders, in the Application Form that will accompany the Circular
“Open Offer Entitlement”	the pro rata basic entitlement of a Qualifying Shareholder, pursuant to the Open Offer, to apply to subscribe for 1 Open Offer Share for every 44 Existing Ordinary Shares registered in its name as at the Record Date
“Open Offer Shares”	up to 194,498 new Ordinary Shares to be issued and allotted by the Company to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Overseas Shareholders”	holders of Existing Ordinary Shares who are neither resident in, nor have a registered address in, the UK
“Placee”	any person subscribing for and/or purchasing New Ordinary Shares pursuant to the Placing

“Placing Shares”	the new Ordinary Shares to be issued pursuant to the Placing, the number of which will be announced by the Company on completion of the Bookbuild
“Placing”	the conditional placing of Placing Shares by the Joint Bookrunners on behalf of the Company at the Issue Price pursuant to the Placing and Open Offer Agreement
“Placing and Open Offer Agreement”	the agreement dated 12 July 2022 between the Company and the Joint Bookrunners relating to the Placing and the Open Offer
“Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017
"Publicly Available Information"	any information announced through a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in uncertificated form
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
"Qualifying Shareholders"	Shareholders on the register of members of the Company on the Record Date with the exclusion (subject to exemptions) of persons with a registered address or located or resident in a Restricted Jurisdiction
"Receiving Agent" or "Registrar"	Neville Registrars Limited, a limited company registered in England and Wales (No. 04770411) with its registered office at Neville House, Steelpark Road, Halesowen, West Midlands, United Kingdom, B62 8HD
“Record Date”	the record date in relation to the Open Offer, being 6:00 p.m. on 12 July 2022
“Regulatory Information Service”	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
“Resolution”	the resolution proposed at the General Meeting to grant authority to the Directors to allot the New Ordinary Shares and to disapply statutory pre-emption rights in relation to the Fundraising
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for the Company if information or documentation concerning the proposals set out in this Announcement are sent or made available to Shareholders in that jurisdiction including, without limitation, the United States of America, Canada, Australia, Republic of Ireland, Japan and the Republic of South Africa
“Securities Act”	the United States Securities Act of 1933, as amended
“Seller”	HOB Power Holdings LLC, a company established by private equity group Elan Growth Partners LLC
“Shareholders”	the holders of Ordinary Shares (as the context requires) at the

	relevant time
“SONIA”	sterling overnight index average
“Target Closing Working Capital”	the estimated working capital of Custom Powder based on the normalised working capital of Custom Power to operate the business under normal operating conditions as at Completion
"uncertificated" or "in uncertificated form"	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US” or “USA”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction
“US Person”	has the meaning set out in Regulation S of the Securities Act
“WH Ireland”	WH Ireland Limited, nominated adviser to the Company and joint bookrunner to the Company in respect of the Placing
"£", "pounds sterling", "pence" or "p"	are references to the lawful currency of the United Kingdom
"\$" or "dollars"	are references to the lawful currency of the United States

APPENDIX III

Terms and conditions of the Placing

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES, (TOGETHER, THE “ANNOUNCEMENT”) AND THE INFORMATION IN IT IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA, THE REPUBLIC OF IRELAND, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL.

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS WHO ARE IN A MEMBER STATE AND ARE, UNLESS OTHERWISE AGREED BY THE JOINT BOOKRUNNERS, “**QUALIFIED INVESTORS**” AS DEFINED IN ARTICLE 2(E) OF THE PROSPECTUS REGULATION; AND (B) PERSONS IN THE UNITED KINGDOM WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF THE UK PROSPECTUS REGULATIONS WHO ARE ALSO: (I) “**INVESTMENT PROFESSIONALS**” WITHIN THE MEANING OF ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**ORDER**”); (II) PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC”) OF THE ORDER; OR (III) PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THIS ANNOUNCEMENT IS NOT AN OFFER FOR SALE OR SUBSCRIPTION IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE SECURITIES LAWS OF ANY JURISDICTION. THIS ANNOUNCEMENT DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN THE COMPANY. THIS ANNOUNCEMENT IS NOT AN OFFER OF OR SOLICITATION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN THE UNITED STATES. THE SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR AS PART OF A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES HAS APPROVED OR DISAPPROVED OF AN INVESTMENT IN THE SECURITIES OR PASSED UPON OR ENDORSED THE MERITS OF THE PLACING OR THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS ANNOUNCEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES 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 SHARES.

All offers of the Placing Shares will be made pursuant to an exemption under the UK version of the Prospectus Regulation, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time, and includes any relevant implementing measure in any member state (the "**UK Prospectus Regulation**") from the requirement to produce a prospectus. This Announcement is being distributed to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

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 or the South African Reserve Bank; and the Placing 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 or the Republic of South Africa. Accordingly, the Placing 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 any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

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 Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of: (a) retail investors, (b) investors who meet the criteria of professional clients and (c) 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 Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with 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 offer.

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

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or the Announcement of which it forms part should seek appropriate advice before taking any action.

These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee hereby agrees with the Joint Bookrunners and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if the Joint Bookrunners confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Issue Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

In this Appendix, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or others) on whose behalf a commitment to subscribe for or acquire Placing Shares has been given.

Details of the Placing and Open Offer Agreement and Placing Shares

The Joint Bookrunners and the Company have entered into a Placing and Open Offer Agreement, under which the Joint Bookrunners have, on the terms and subject to the conditions set out therein, agreed severally to use their reasonable endeavours to procure Placees for the Placing Shares. The Placing is not being underwritten by the Joint Bookrunners or any other person.

The number of Placing Shares will be determined following completion of the Bookbuild as set out in this Announcement. The timing of the closing of the Bookbuild, the number of Placing Shares and allocations are at the discretion of the Joint Bookrunners and a further announcement confirming these details will be made in due course.

The Placing Shares will, when issued, be subject to the Articles, will be credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of Ordinary Shares after the date of issue of the Placing Shares.

The Placing Shares will trade on AIM under SOLI with ISIN GB0008237132 .

Application for admission to trading

Applications will be made to London Stock Exchange for admission to trading of the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will take place on or before 8.00 a.m. on 2 August 2022 and that dealings will commence at the same time.

Bookbuild

The Joint Bookrunners will today commence the Bookbuild to determine demand for participation in the Placing by potential Placees at the Issue Price. 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.

The Joint Bookrunners and the Company shall be entitled to effect the Placing by such alternative method to the Bookbuild as they may, in their sole discretion, determine.

Participation in, and principal terms of, the Placing

1. The Joint Bookrunners are arranging the Placing as agents for the Company.
2. Participation in the Placing is only available to persons who are lawfully able to be, and have been, invited to participate by the Joint Bookrunners. The Joint Bookrunners (and any of their affiliates and / or agents) are entitled to participate in the Placing as principals.
3. To bid in the Bookbuild, Placees should communicate their bid by telephone or by email to their usual contact at the Joint Bookrunners. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Issue Price, and each such placee acknowledges and agrees that their bid will be irrevocable. Bids may be scaled down by the Joint Bookrunners on the basis referred to in paragraph 7 below.
4. The timing of the closing of the Bookbuild will be at the discretion of the Joint Bookrunners. The Company reserves the right to reduce or seek to increase the amount to be raised pursuant to the Placing, in its absolute discretion.
5. Each Placee's allocation will be confirmed to Placees orally, or by email, by the Joint Bookrunners following the close of the Bookbuild and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The Joint Bookrunners' oral or emailed confirmation will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of the Joint Bookrunners and the Company, under which it agrees to acquire by subscription or purchase the number of Placing Shares allocated to it at the Issue Price and otherwise 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 the Joint Bookrunners' consent, such commitment will not be capable of variation or revocation.
6. The number of Placing Shares to be issued will be agreed between the Joint Bookrunners and the Company following close of the Bookbuild. The Company will make an announcement of the number of Placing Shares to be placed at the Issue Price via a Regulatory Information Service following the close of the Bookbuild.
7. Subject to paragraphs 4 and 5 above, the Joint Bookrunners may choose not to accept bids and/or to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (after consultation with the Company) and may scale down any bids for this purpose on such basis as it may determine. The Joint Bookrunners may also, notwithstanding paragraphs 4 and 5 above, subject to the prior consent of the Company, allocate Placing Shares after the time of any initial allocation to any person submitting a bid after that time.
8. A bid in the Bookbuild will be made on the terms and subject to the conditions in the Announcement (including this Appendix) and will be legally binding on the Placee on behalf of which it is made and except with Joint Bookrunners' consent will not be capable of variation or revocation from the time at which it is submitted.
9. Except as required by law or regulation, no press release or other announcement will be made by Joint Bookrunners 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.
10. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be placed pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and Settlement".
11. All obligations of Joint Bookrunners under the Placing will be subject to fulfilment 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 "Right to terminate under the Placing and Open Offer Agreement".

12. By participating in the Placing, each Placee agrees 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.
13. To the fullest extent permitted by law and the applicable rules of the Financial Conduct Authority ("**FCA**"), neither the Joint Bookrunners nor any of each of their affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise whether or not a recipient of these terms and conditions) in respect of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the delivery of the Placing Shares to the Placees and the Joint Bookrunners and each of their affiliates shall have no liability to the Placees for the failure of the Company to fulfil those obligations. In particular, none of the Joint Bookrunners nor any of each of their affiliates shall have any liability (including to the extent permissible by law, any fiduciary duties) in respect of Joint Bookrunners' conduct of 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 Joint Bookrunners' obligations under the Placing and Open Offer Agreement in respect of the New Ordinary Shares for Admission are conditional on, among other things:

- A) the Resolution to be proposed at the General Meeting having been duly passed by the Shareholders without amendment, granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis;
- B) none of the warranties given by the Company to the Joint Bookrunners being untrue, inaccurate or misleading in each case by reference to the facts and circumstances then subsisting;
- C) the Company having performed all of its obligations under the Placing Agreement (to the extent that such obligations fall to be performed prior to Admission) and not being in breach of the Placing Agreement;
- D) there not having occurred, in the opinion of the Banks (acting together and in good faith), a Material Adverse Change (as such term is defined in the Placing and Open Offer Agreement) at any time prior to Admission;
- E) the MIPA having been entered into and become unconditional in all respects prior to Admission, save for Admission; and
- F) Admission having become effective at or before 8.00 a.m. on 2 August 2022 (or such later time and / or date as the Company and the Joint Bookrunners may agree in writing, being not later than 8.00 a.m. on 16 August 2022).

If: (i) any of the conditions contained in the Placing and Open Offer Agreement in relation to the Placing Shares are not fulfilled or waived by Joint Bookrunners by the respective time or date where specified (or such later time or date as Joint Bookrunners and Company may agree in writing, not being later than 8 a.m. on 16 August 2022); (ii) any of such conditions becomes incapable of being fulfilled at any time prior to Admission and is not waived by the Joint Bookrunners; or (iii) the Placing and Open Offer Agreement is terminated in the circumstances specified below, the Placing will lapse and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Joint Bookrunners may (acting together), at their sole discretion and upon such terms as they think fit, waive or extend the period for, compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing and Open Offer Agreement save that that certain of the conditions, including those relating to Admission and the Resolution to be put at the General Meeting, granting authority to the Directors to allot the New Ordinary Shares on a non-pre-emptive basis, being duly passed by the Shareholders without amendment, may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither the Joint Bookrunners, the Company nor any of their respective affiliates 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 they 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 they 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 the Joint Bookrunners.

Right to terminate the Placing and Open Offer Agreement

The Joint Bookrunners are entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company in certain circumstances, including:

- A) any statement contained in the Placing Documents (as defined in the Placing and Open Offer Agreement) has, in the opinion of the Joint Bookrunners (acting in good faith), become or is discovered to be untrue, inaccurate or misleading; or
- B) any matters have arisen or have been discovered which would, if the Placing Documents were to be issued at that time, constitute an omission therefrom; or
- C) any of the conditions to the Placing and Open Offer Agreement has become incapable of satisfaction before the latest time provided for in the Placing and Open Offer Agreement or any of the conditions has not been satisfied before the latest time provided in the Placing and Open Offer Agreement and in either case has not been waived; or
- D) there has, in the opinion of a Joint Bookrunner (acting in good faith), been a breach, or an alleged breach, of any of the Warranties; or
- E) in the opinion of a Joint Bookrunner (acting in good faith), a Specified Event (as defined in the Placing and Open Offer Agreement) has occurred; or
- F) the Company fails, in any respect which is material in the opinion of a Joint Bookrunner (acting in good faith), to comply with any of its obligations under the Placing and Open Offer Agreement; or
- G) in the opinion of a Joint Bookrunner (acting in good faith), there has been a Material Adverse Change (as defined in the Placing and Open Offer Agreement); or
- H) there has been a change in certain international financial markets, a suspension or material limitation in trading on certain stock exchanges or a material disruption in commercial banking or securities settlement or clearance which a Joint Bookrunner considers (acting in good faith) makes it impractical or inadvisable to proceed with the Placing or Admission; or
- I) application for Admission is refused by the London Stock Exchange, or, in the opinion of WH Ireland (acting in good faith), will not be granted.

The rights and obligations of the Placees will not be subject to termination by the Placees or any prospective Placees at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by the Joint Bookrunners of any right of termination or other discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of the Joint Bookrunners, as applicable, and that none of them need make any reference to Placees and that neither the Joint Bookrunners, nor any of its respective affiliates shall have any liability to Placees whatsoever in connection with any such exercise.

No Admission Document or Prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of an admission document or prospectus in the United Kingdom or in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the FCA in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in the Announcement (including this Appendix) and the business and financial information that the Company is required to publish in accordance with the AIM Rules (the "**Exchange Information**").

Each Placee, by accepting a participation 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 other information (other than the Exchange Information), representation, warranty, or statement made by or on behalf of the Company, or the Joint Bookrunners or any other person and neither the Joint Bookrunners, the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by the Joint Bookrunners, the Company, or their respective officers, directors, employees or agents.

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 the Joint Bookrunners 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.

Registration and settlement

Following the close of the Bookbuild, each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or contract note in accordance with the standing arrangements in place with the relevant Joint Bookrunner, stating the number of Placing Shares allocated to it at the Issue Price, the aggregate amount owed by such Placee (in GBP) and a form of confirmation in relation to settlement instructions.

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 the Joint Bookrunners in accordance with the standing CREST settlement instructions which they have in place with the relevant Joint Bookrunner.

Settlement of transactions in the Placing Shares (ISIN: GB0008237132) following Admission will take place within the system administered by Euroclear UK & Ireland Limited ("**CREST**") provided that, subject to certain exceptions, the Joint Bookrunners reserve the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that it deems necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

It is expected that settlement will be on 2 August 2022 in accordance with the instructions set out in the form of confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above SONIA.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the appropriate the relevant Joint Bookrunner's account and benefit (as agents for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the Joint Bookrunners on demand

for any shortfall below the aggregate amount owed by it 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, each Placee confers on the Joint Bookrunners such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which the Joint Bookrunners lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the form of confirmation 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 UK stamp duty or stamp duty reserve tax or securities transfer tax. Neither the Joint Bookrunners nor the Company will be liable in any circumstances for the payment of stamp duty, stamp duty reserve tax or securities transfer tax in connection with any of the Placing Shares. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations, warranties and further terms

By participating in the Placing, each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Joint Bookrunners (for themselves and on behalf of the Company):

1. that it has read and understood this Announcement, including the Appendices, in its entirety and that its subscription for or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein and undertakes not to redistribute or duplicate this Announcement;
2. that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
3. that the exercise by the Joint Bookrunners of any right or discretion under the Placing and Open Offer Agreement shall be within the absolute discretion of the Joint Bookrunners, and the Joint Bookrunners need not have any reference to it and shall have no liability to it whatsoever in connection with any decision to exercise or not to exercise any such right and each Placee agrees that it has no rights against the Joint Bookrunners, or the Company, or any of their respective officers, directors or employees, under the Placing and Open Offer Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
4. that these terms and conditions represent the whole and only agreement between it, the Joint Bookrunners and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, is not relying on any information or representation or warranty in relation to the Company or any of its subsidiaries or any of the Placing Shares other than as contained in this Announcement and the Exchange Information. Each Placee agrees that neither the Company, the Joint Bookrunners nor any of their respective officers, directors or employees will have any liability for any such other information, representation or warranty, express or implied;
5. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, (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 Member State other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Member State other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Regulation as having been made to such persons;

6. that in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation, 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 or the UK other than Qualified Investors or Relevant Persons, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale;
7. that neither it nor, as the case may be, its clients expect the Joint Bookrunners to have any duties or responsibilities to such persons similar or comparable to the duties of "best execution" and "suitability" imposed by the FCA's Conduct of Business Source Book, and that the Joint Bookrunners are not acting for it or its clients, and that the Joint Bookrunners will not be responsible for providing the protections afforded to customers of the Joint Bookrunners or for providing advice in respect of the transactions described herein;
8. that 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 the Joint Bookrunners nor the Company or any of their respective affiliates, agents, directors, officers or employees or 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 the Joint Bookrunners, the Company or any of their respective affiliates, agents, directors, officers or employees or any person acting on behalf of any of them to provide it with any such information;
9. that it is: (i) unless otherwise agreed in writing with the Joint Bookrunners, located outside the United States and it is not a US person as defined in Regulation S under the Securities Act ("**Regulation S**") and it is subscribing for the Placing Shares only in "offshore transactions" as defined in and pursuant to Regulation S, and (ii) it is not subscribing for Placing Shares as a result of any "directed selling efforts" as defined in Regulation S or by means of any form of "general solicitation" or "general advertising" as such terms are defined in Regulation D under the Securities Act;
10. that the Placing Shares have not been and will not be registered under the Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States and that, subject to certain exceptions, the Placing Shares may not be offered, sold, pledged, resold, transferred, delivered or distributed into or within the United States;
11. that 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 Announcement and 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 the Announcement and Publicly Available Information;
12. that neither the Joint Bookrunners nor the Company or any of their respective affiliates, agents, directors, officers or employees has 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;
13. that unless specifically agreed with the Joint Bookrunners, it is not and was not acting on a non-discretionary basis for the account or benefit of a person located within the United States at the time the undertaking to subscribe for Placing Shares was given and it is not acquiring Placing Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Placing Shares into the United States and it will not reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;

14. that it is not a national or resident of Canada, Australia, New Zealand, South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, New Zealand, the Republic of South Africa or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Placing Shares in Canada, Australia, New Zealand, the Republic of South Africa or Japan or to or for the benefit of any person resident in Canada, Australia, the Republic of South Africa or Japan and each Placee acknowledges that the relevant exemptions are not being obtained from the Securities Commission of any province of Canada, that no document has been or will be lodged with, filed with or registered by the Australian Securities and Investments Commission or Japanese Ministry of Finance and that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in or into Canada, Australia, New Zealand, the Republic of South Africa or Japan;
15. that it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
16. that it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted, and will not, directly or indirectly, distribute, forward, transfer or otherwise transmit, any presentation or offering materials concerning the Placing Shares to any persons within the United States or to any US persons (as that term is defined in Regulation S);
17. that it is entitled to subscribe for Placing Shares under the laws of all relevant jurisdictions which apply to it and that it has fully observed such laws and obtained all governmental and other consents which may be required thereunder or otherwise and it has complied with all necessary formalities and that it has not taken any action which will or may result in the Company or the Joint Bookrunners or any of their respective directors, officers, employees or agents acting in breach of any regulatory or legal requirements of any territory in connection with the Placing or its acceptance;
18. that it has obtained all necessary consents and authorities to enable it to give its commitment to subscribe for the Placing Shares and to perform its subscription and/or purchase obligations;
19. that where it is acquiring Placing Shares for one or more managed accounts, 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 the Joint Bookrunners;
20. that it is either: (a) a person of a kind described in paragraph 5 of Article 19 (persons having professional experience in matters relating to investments and who are investment professionals) of the Order; or (b) a person of a kind described in paragraph 2 of Article 49 (high net worth companies, unincorporated associations, partnerships or trusts or their respective directors, officers or employees) of the Order; or (c) a person to whom it is otherwise lawful for this Announcement to be communicated and in the case of (a) and (b) undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
21. that, unless otherwise agreed by the Joint Bookrunners, it is a qualified investor (as defined in section 86(7) of FSMA);
22. that, unless otherwise agreed by the Joint Bookrunners, it is a "professional client" or an "eligible counterparty" within the meaning of Chapter 3 of the FCA's Conduct of Business Sourcebook and it is purchasing Placing Shares for investment only and not with a view to resale or distribution;
23. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which

section 21(1) of FSMA does not require approval of the communication by an authorised person;

24. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving the United Kingdom;
25. that any money held in an account with each of the Joint Bookrunners (or its nominee) on its behalf and/or any person acting on its behalf will not be treated as client money within the meaning of the rules and regulations of the FCA. Each Placee further acknowledges that the money will not be subject to the protections conferred by the FCA's client money rules. As a consequence, this money will not be segregated from the Joint Bookrunners' (or its nominee's) money in accordance with such client money rules and will be used by the Joint Bookrunners in the course of its own business and each Placee will rank only as a general creditor of the Joint Bookrunners;
26. that it will (or will procure that its nominee will) if applicable, make notification to the Company of the interest in its Ordinary Shares in accordance with the Disclosure Guidance and Transparency Rules published by the FCA;
27. that it is not, and it is not acting on behalf of, a person falling within subsections (6), (7) or (8) of sections 67 or 70 respectively or subsections (2) and (3) of section 93 or subsection (1) of section 96 of the Finance Act 1986;
28. that it will not deal or cause or permit any other person to deal in all or any of the Placing Shares which it is subscribing for under the Placing unless and until Admission becomes effective;
29. that it appoints irrevocably any director of the Joint Bookrunners as its agent for the purpose of executing and delivering to the Company and/or its registrars any document on its behalf necessary to enable it to be registered as the holder of the Placing Shares;
30. that, as far as it is aware, it is not acting in concert (within the meaning given in The City Code on Takeovers and Mergers) with any other person in relation to the Company;
31. that this Announcement does not constitute a securities recommendation or financial product advice and that neither the Joint Bookrunners nor the Company has considered its particular objectives, financial situation and needs;
32. that it is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing;
33. that it will indemnify and hold the Company and the Joint Bookrunners 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 Company and the Joint Bookrunners will rely on the truth and accuracy of the confirmations, warranties, acknowledgements and undertakings herein and, if any of the foregoing is or becomes no longer true or accurate, the Placee shall promptly notify the Joint Bookrunners and the Company. All confirmations, warranties, acknowledgements and undertakings given by the Placee, pursuant to this Announcement (including this Appendix) are given to the Joint Bookrunners for themselves and on behalf of the Company and will survive completion of the Placing and Admission;
34. that time shall be of the essence as regards its obligations pursuant to this Appendix;
35. that it is responsible for obtaining any legal, tax and other advice that it deems necessary for the execution, delivery and performance of its obligations in accepting the terms and conditions of the Placing, and that it is not relying on the Company or the Joint Bookrunners to provide any legal, tax or other advice to it;

36. that all dates and times in this Announcement (including this Appendix) may be subject to amendment and that the Joint Bookrunners shall notify it of such amendments;
37. that (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and UK MAR and/or MAR, (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2007 and (iii) 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 "**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 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 and it 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 the Joint Bookrunners such evidence, if any, as to the identity or location or legal status of any person which the Joint Bookrunners 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 the Joint Bookrunners on the basis that any failure by it to do so may result in the number of Placing Shares that are to be subscribed for by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Joint Bookrunners may decide in their absolute discretion;
38. that it will not make any offer to the public of those Placing Shares to be subscribed for by it for the purposes of the Prospectus Regulation or UK Prospectus Regulation, as applicable;
39. that it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;
40. that it acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or the Joint Bookrunners 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;
41. that any documents sent to Placees will be sent at the Placees' risk. They may be sent by post to such Placees at an address notified to the Joint Bookrunners;
42. that the Joint Bookrunners owe no fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing and Open Offer Agreement;
43. that the Joint Bookrunners or any of its affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares;

44. that no prospectus or offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus or other offering document in connection with the Placing or the Placing Shares; and
45. that if it has received any confidential price sensitive information concerning the Company in advance of the publication of this Announcement, it has not: (i) dealt in the securities of the Company; (ii) encouraged, required, recommended or induced another person to deal in the securities of the Company; or (iii) disclosed such information to any person, prior to such information being made publicly available.

The Company, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of each of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Joint Bookrunners for themselves and on behalf of the Company and are irrevocable.

The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by the Joint Bookrunners.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor the Joint Bookrunners will be responsible, and the Placee to whom (or on behalf 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 UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and the Joint Bookrunners in the event that any of the Company and/or the Joint Bookrunners has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any 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 UK by them or any other person on the subscription or purchase by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

All times and dates in this Announcement (including this Appendix) may be subject to amendment. The Joint Bookrunners shall notify the Placees and any person acting on behalf of the Placees of any changes.

This Announcement has been issued by, and is the sole responsibility, of the Company. 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 the Joint Bookrunners or by any of its respective 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 therefore is expressly disclaimed.